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A marketing analysis on Indian automobile industry: A comparative study of Hyundai, Maruti Suzuki and Ford

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Abstract

On the Canvas of Indian Economy, Automobile industry occupies a prominent place. Automobile sector can be considered as one of the cores of Indian Industry. Extensive economic liberalization in India over the years by the India Government has transformed India as one of the prime business destinations for many global automobile players. The automobile industry in India has been witnessing impressive growth during the last two decades. Indian automobile industry is running with a portfolio of large domestic players such as Tata, Mahindra, Bajaj, Maruti, Hindustan Motors, Ashok Leyland and several prominent international players including Ford, Toyota, Honda, Hyundai, etc. Here in this paper, three of the giants of Indian automobile industry – Hyundai, Maruti Suzuki and Ford - have been included. This paper intends to find out the various marketing strategy and tools used by these three companies. The study is based on the primary and secondary data. The data analysis was done using the tools of descriptive statistics. The data analysis showed the extent and power of marketing tools to attract the customers. It emphasizes on the comparative marketing strategies among these three automobile brands.

Keywords: Automobile industry, Indian, marketing strategy, customers, study

Introduction

Marketing strategies are dynamic and interactive. To remain in this competitive market one has to come up with different ideas and strategies.

After liberalization automobile Industry is growing at a very high rate and many new companies have also entered into the market offering a variety of cars in all segments for everyone.

Objective of Study

- To know the various strategies used by Maruti Suzuki, Ford and Hyundai Company to attract the maximum number of customers.
- To know the company that offers better cars, best after-sales services and which company's cars customers are most satisfied with.
- To know the demand of automobiles.
- Competition from other car manufacturers.
- To know the trend in the market.
- To know the most demanded car by customers.
- To know the effect of recession on the sale of cars.

Festive season boost

Maruti's Survey

According to the dealer's car sales increase by 40-50% during the festive season like Diwali.

Ford's Survey

Dealers of Ford replied that sales increase 50-60% during the festive season like Diwali.

Hyundai's Survey

Hyundai dealers also replied that there is almost an increase of 30-40% of cars during the festive season.

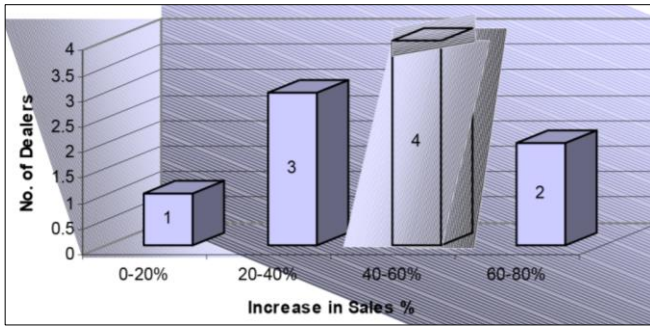


Fig 1: Increase in sales during festive season

Company supports to Dealers

All three companies’ dealers replied that company makes selling of cars easy by promoting through various ways.

Customers’ survey

Users

Below graph shows us that 63% of people interviewed, i.e., 40 out of 80 users are Maruti customers where as remaining 25 and 15 are users of ford and are Hyundai customers.

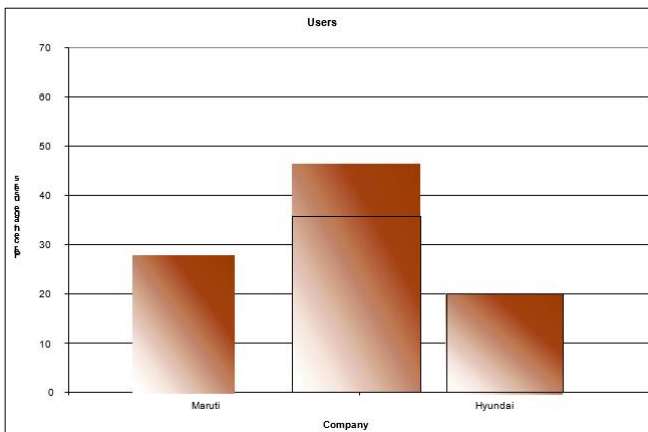


Fig 2: User

Most preferred cars

It was found that for Santro from Hyundai and Swift from Maruti Suzuki various range available are the most preferred

cars amongst the customers. Maruti Zen Estilo seems to be in more demand.

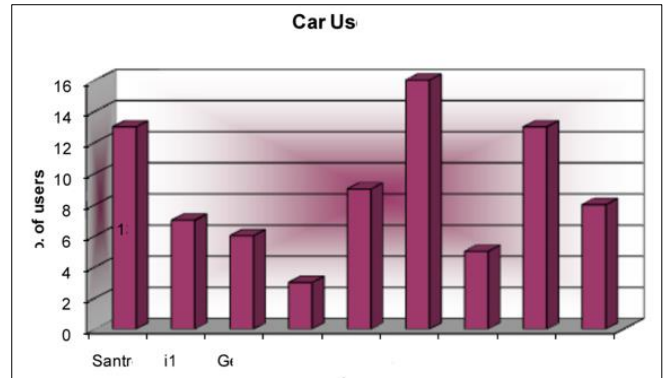


Fig 3: Car Us

Loyalty towards brand

It is found that customers stay loyal to Maruti, ford and Hyundai rather than other brand.

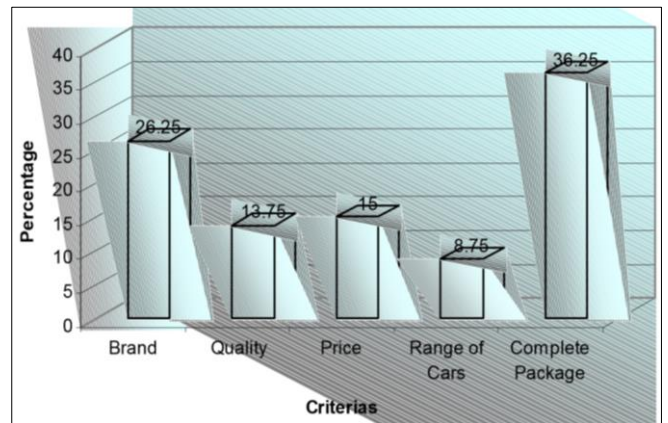


Fig 4: Reasons for using Maruti and Hyundai car

Rating to car performance

It was found that most of the customers were satisfied with the performance of the cars whereas very few found it as not up to their mark.

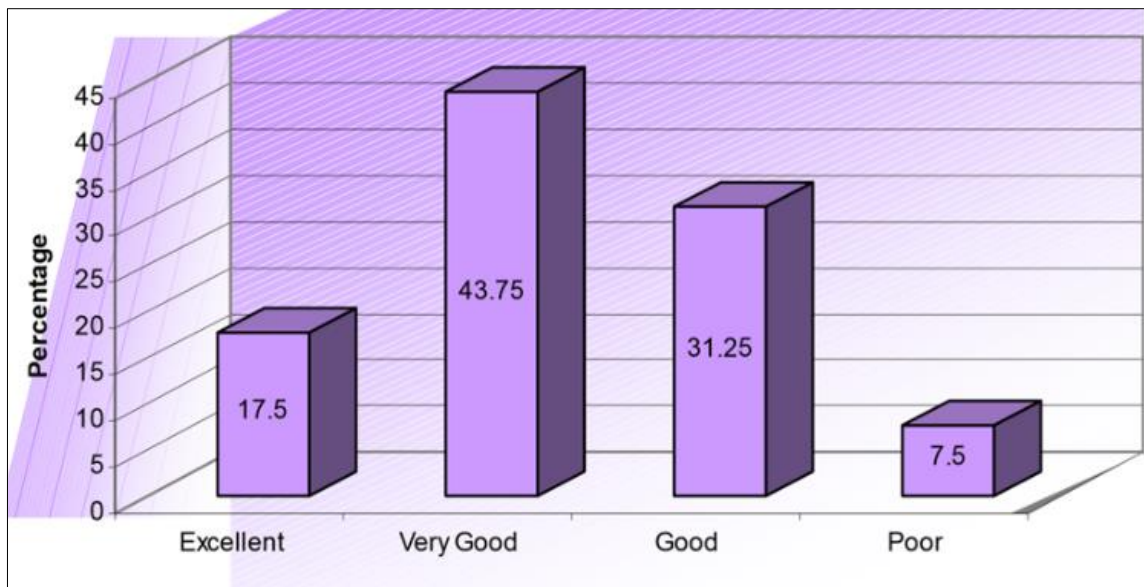


Fig 5: Customers rating to car performance

Customer’s expectation

Below graph clearly states that 86 percent customer’s expectations were met through these brands where as few were unsatisfied.

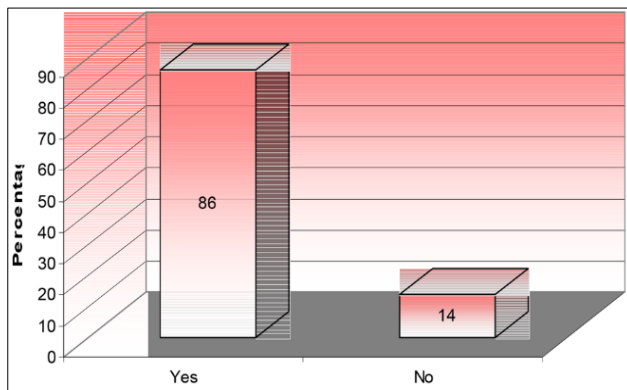


Fig 6: Expectations met

Criteria’s in buyer’s mind while purchasing

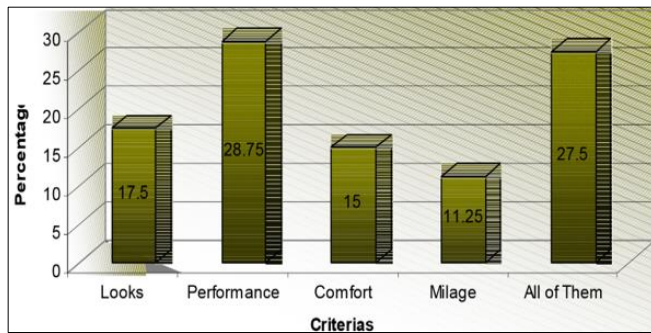


Fig 7: Criteria’s in buyers mind

It was found that while purchasing the car customers look for good performance, looks, mileage and also it should be reasonably priced.

Pricing

Most customers found that prices of these cars are affordable for their pockets whereas few customers found that price is little higher.

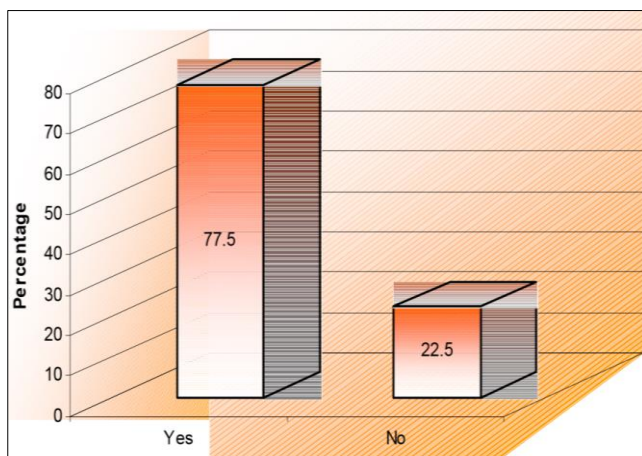


Fig 8: Reasonable pricing

Preference of customers

Maximum customers still prefer to buy petrol version cars rather than diesel or LPG version, even though LPG and diesel versions are economical in usage.

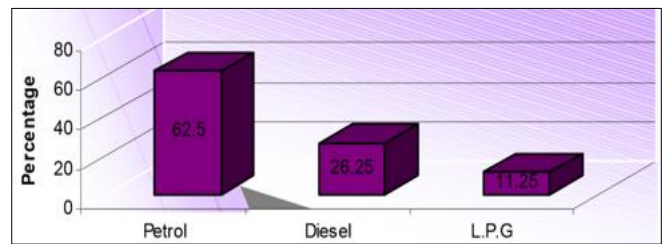


Fig 9: Preference of customers

Strategies used to attract customers

Most of the customers prefer to buy after seeing some one else’s experience. Thus word of mouth publicity acts as the marketing strategy for the companies whereas others are attracted to T.V ads, brand ambassadors, etc.

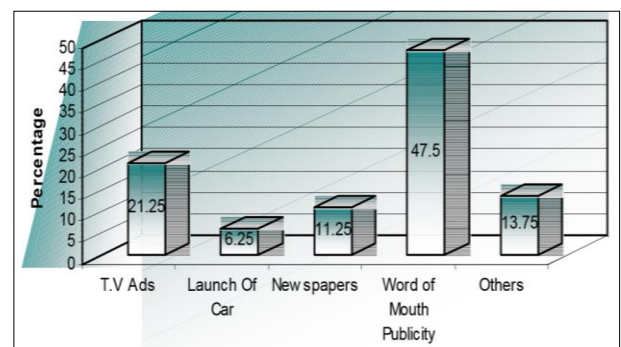


Fig 10: Strategies though which customers attracted

Dealer’s Service

About 37.5 percent customers were satisfied with service provided by the dealers. Some were not satisfied as they faced problems like delay in delivering the cars, etc.

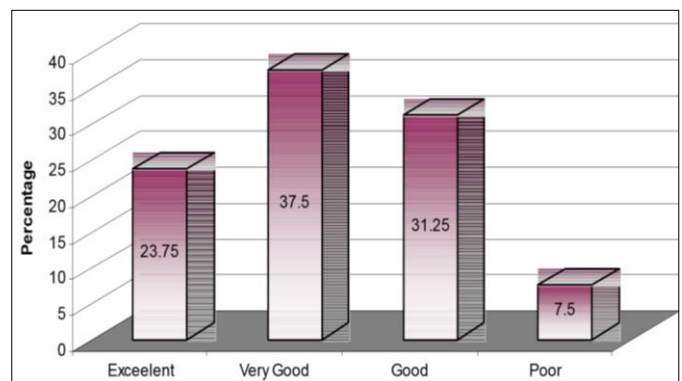


Fig 11: Dealers service

Expectations from dealers

When customers were asked about their expectations from dealers, they replied that they need delivery on time, good service, giving detailed information about the car before purchasing, good after sales service, etc.

Findings

1. It was found that dealers agree that Marketing Strategies helps to increase sale of product.
2. Most of the customers are attracted through media publicity and mouth publicity.

3. Swift and Alto from Maruti and i10, i20, ford Figo and EcoSport and Santro from Hyundai are most demanded cars by customers.
4. Customers prefer Petrol Version cars more than Diesel or L.P.G. version.
5. Most of the Customers were found satisfied with cars' performance.
6. Around 50-75% of customers purchase cars on installment basis.
7. From survey, it was found that around 33% were Maruti users.
8. Pricing of cars was found reasonable by most of the customers.
9. Customers were satisfied with dealer's service.

Suggestions and Recommendations

To Dealers

- As dealers directly interact with customers, they should maintain proper Customer Relationship Strategy.
- They should offer service benefits and offerings according to the various customers segments. Which may include
 - classification on the basis of
 - Income group
 - Age group
- Dealers should help customers in taking right decision in buying a car and should give complete information about the car before customers purchase it.
- The customers, who want to purchase a car on installment basis, should also be provided with additional accessories as there is in case of cash purchase.
- Dealers should provide good after sales service and should maintain good relations with customers so that reference can be taken and goodwill is created.

To Company

- Maruti should more frequently come with mid-size models like sx4 and swift Dzire as their sedan model is faring very well in market.
- Maruti, ford and Hyundai should come up with diesel model of midsize cars as market survey says that the use of diesel cars will increase by 50% in 2014.
- Hyundai should try to increase their number of dealers and service stations so that customers can get better service.
- All three companies should try to build trust in customers as competition is increasing day by day.
- Company should try to give some good schemes and offers and discounts for old and new customers.
- Maruti should try to expand its range of cars from small car and hatchbacks to more mid-size cars like sx4 and swift mid size version.

Conclusion

Maruti Suzuki is forward in its marketing strategy. Maruti has its vast network of dealers and service centers and hence they are able to provide good after sales services and are able to maintain good relationship with customers, which is their strongest point. Maruti is also benefited with its goodwill and Brand name which is already there in market. So Maruti can use these as an opportunity to bring new and innovative car models in market and try to attract more and

more customers. It can be seen that Maruti is trying to attract customers from all segments by launching cars like sx4, Swift, Ritz but their main preference is "A" segment cars only.

Ford conducts market research online and in person, refining and creating new data-gathering processes that influence product development and marketing campaigns. The company engages consumers through moderated clinics and through one-on-one interviews before vehicles reach market.

Hyundai's strategy of endorsing their products with celebrities has got a very good response but Hyundai should advertise better to create a good picture of its products by transferring the key good things about its cars. Hyundai has a good track record of having successful diesel mid-size cars in its portfolio and it should encash the same opportunity to launch the diesel versions of small car before Maruti gets too much competitive advantage. And Hyundai should also try to increase their service centers so that customers can find it convenient to get their car serviced.

Annexure

Questionnaires to Maruti/ ford/Hyundai dealers

Q.1) Do you think Marketing Strategies help to increase sales of a product?

- a) Yes b) No

Q.2) How did Marketing Strategy help you?

Q.3) Which Promotional Strategies did you use?

Q.4) Which type of Promotion had attracted maximum number of Customers?

Q.5) Do you think Promotion through Mass Media is more effective than any other medium?

- a) Yes b) No

Q.6) Does a Grand Launch of a Car makes Selling of a car easy?

- a) Yes b) No

Q.7) Which Car model of your company is demanded by customer the most?

Hyundai-

- a) Santro b) i10 c) Getz d) i20 e) Accent f) Sonata g) Any Other

Maruti-

- a) Ritz b) Swift c) sx4 d) Alto e) Estilo f) any other

Q.8) Which car of your company gives best mileage?

Ford-

- a) fusion b) Figo c) EcoSport d) SUV e) Accent f) Sonata g) Any Other

Maruti-a) Ritz b) Swift c) sx4 d) Alto e) Estilo

- f) any Other

Q.9) What is the Customer Preference in terms of fuel variant?

- a) Petrol version b) Diesel version c) L.P.G version

Q.10) While Buying the Car, what are the criteria in the Buyers' Mind?

- a) Quality b) Comfort c) Performance d) Milage e) Price

Q.11) Which other Automobile Company do you think is Biggest

Competitor for your company?

- a) Maruti / Hyundai b) Ford c) Honda d) Tata
e) Mahindra and Mahindra

Q.12) Which amongst all the car models offered by your company will you rate as Number 1 for its Complete Package?

- Q.13) Most of the Sale takes place on which Basis?
a) Cash b) E.M.I c) Cheque d) Any other

Q.14) How many % of Customers purchase car on installment basis?

- a) 0-25 b) 25-50 c) 50-75 d) 75-100

Q.15) With which Bank you are tied up for E.M.I system?

- a) I.C.I.C.I b) HDFC c) IDBI d) HSBC e) SBI

f) Any other

Q.16) Do you offer discount to customer on Cash Purchase? If yes, how much?

- a) 1% b) 2% c) 3% d) 4 e) 5% f) more than 5%

Q.17) Do you think Tata Nano's entry in market will affect the sale of your Cars?

Q.18) How much effect do you think recession has caused on your Business?

Q.19) Do you think during the recession phase of the market, spending huge amount on various marketing strategies is a wise decision?

- a) Yes b) No

Q.20) As observed, most of the buyers are less than 35 years of age, what offers do you provide to attract them?

Q.21) What do you think is the reason behind customers' loyalty to Maruti /ford/ Hyundai or faith in Maruti/Ford/ Hyundai?

- a) Brand Name b) Quality c) Service d) Reasonable price
e) Range of cars

Q.22) Do you think sponsoring Reality Shows and awarding cars to the winner helps promoting the car and increases profitability in return?

- a) Yes b) No

Q.23) In the initial stage which pricing strategy will you prefer?

- a) Skimming b) Penetration

Q.24) Do you also deal in second hand cars?

- a) Yes b) No

Q.25) How much do you believe in Customer Satisfaction and After Sales Service?

Q.26) What is the response for new Hyundai i20 / Maruti Ertiga?

Q.27) Do you conduct Marketing Research activity?

- a) Yes b) No

Q.28) What type of analysis do you conduct for Market Research?

Q.29) How does the company help to Promote Your (dealer's) Business?

Q.30) Does the company arrange seminars for giving information about Future Plans and Car Launches?

- a) Yes b) No

Q31) How much increase in sales are recorded during festive season?

Questionnaire to customers

Q.1) Which company's car do you use?

- a) Maruti b) Hyundai c) Ford d) others

Q.2) What is the car model that you are using?

- a) Santro b) i10 c) figo d) i20 e) Alto f) Swift
g) Ritz h) SUV i) other

Q.3) What is the reason behind choosing Maruti/ford/Hyundai car, and not others?

- a) Brand b) Quality c) Price d) Range of cars e) Complete package

Q.4) How did you find the car's performance?

- a) Excellent b) Good c) Average d) Poor

Q.5) Has it met your expectations?

- a) Yes b) No

Q.6) What was the main criteria in your mind while purchasing car?

- a) looks b) performance c) comfort d) mileage e) all of them

Q.7) If you have used Maruti/ ford/Hyundai car before also, what reasons have forced you to buy Maruti/ford/ Hyundai again?

- a) Brand b) Quality c) Price d) Range of cars e) all of them

Q.8) Do you think prices are reasonable?

- a) Yes b) No

Q.9) Which version would you like to purchase?

- a) Petrol b) Diesel c) LPG

Q.10) Which Marketing strategies have attracted you to buy a car?

1. T.V ads
2. Launch of car
3. Newspapers
4. Word of Mouth publicity.
5. Other

Q.11) How did you find dealers services while buying car?

1. Excellent,
2. Good
3. Average,
4. Poor

Q.11) Do dealers offer any extra benefits other than what company offers?

Q.12) What are your expectations from the dealers?

1. On time delivery
2. Good Service
3. Detailed information about the car before purchase
4. Solving complaints/queries immediately
5. All of above

Q. 14) Out of following which Hatchback car would you like to purchase?

- a) Ritz, b) EON, c) i10, d) Spark, e) Fabia

Q.15) Would you recommend your friends, relatives to buy Maruti/Hyundai car?

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