



A STUDY OF MARKETING STRATEGIES OF TWO AUTOMOBILE COMPANIES IN INDIA

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Introduction

Exchange relationship management refers to the academic discipline known as market research. "Marketing" is defined by the American Marketing Association as "the process of creating, communicating, delivering, and exchanging offerings that have value for purchasers, clients, partners, and society at large."

Increasing sales and gaining a sustainable competitive advantage are the two primary aims of any marketing effort.



Promotional Techniques

Simple On-Camera Occasions That Happen Often

The analysis of the company's starting point is discussed, along with the creation, evaluation, and selection of a market-focused strategy.

The Bedrock of Effective Marketing

- Specialization
- Differentiation
- Segmentation
- Concentration

1. This level of specialisation can help clarify domain, product, service, customer, and market.

Second, your unique qualities can be summarised by the principle of differentiation. You'd stand out from the crowd thanks to your special selling proposition.

To find the customers who will value your USP and are willing to pay a premium for it, you should thirdly segment the market.

After determining which markets will provide the greatest opportunity for growth, all of your attention should be focused there.

Brief Overview of the Automotive Industry

The automobile industry in India is among the largest worldwide. 7.1% of the country's GDP comes from this industry. The two-wheeler market in India accounts for 81% of the total market, thanks to the country's growing middle class and large youth population.

India's automotive industry is poised to become one of the world's largest, with annual production forecasted at 23.9 million vehicles in the Financial Year 2021-2022. Average annual growth rate for the past year is 2.57 percent.

Two-Wheelers

Motor Coaches with a Margin of Error of 5%

20%.

Literature Review

Research Papers

First, advertising strategies adopted by Indian automakers

This research depicts the auto industry as one where competition is fierce and where there are many options for consumers to choose from. The ease of obtaining financing, the competitive interest rates, and the customizable payment terms are all contributing factors to the industry's growth. In order to keep up with their customers, manufacturers are constantly developing cutting-edge products.

1. Automobile Industry

The Indian auto market has great potential for expansion. Both domestically (where vehicle penetration is lower than the global average) and internationally, India's automotive sector has considerable room for expansion (where India could position itself as a manufacturing hub).

Research Methodology

Research Objectives:

To ensure the continued success and growth of the Indian auto industry, this study aims, in part, to gain a better understanding of the various forms of advertising employed by the sector.

The two companies used in this analysis are Tata Motors Limited and Hyundai Motors India Limited.

The following are discussed at length between the two companies:

Two, the SWOT Analysis and the "4 Ps of Marketing."

A Third Look at PESTEL

Research Design:

This study looks into the similarities and differences between Tata Motors and Hyundai Motor India Ltd. In order to compile useful information for this investigation, we rely on secondary resources.

SWOT Analysis

Strength

- In India, Hyundai cars have the fewest reported problems of any major brand. The Santro was the premium compact car winner, and the Getz was the entry-level mid-size car winner.
- More than ten thousand well-trained salespeople at more than 650 Hyundai dealerships in India's 370+ cities make shopping an unforgettable experience.

Weakness

- Hyundai's bottom line is vulnerable to fluctuations in the price of iron, steel, rubber, plastic, etc., used in the production of automobiles. The firm continues to enter into long-term contracts predicated on its price forecasts in an effort to protect itself from these risks.
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- Because it imports components and raw materials and exports vehicles, the company is exposed to foreign exchange risk from fluctuations in the value of those currencies.

Opportunities

- The company has been at the forefront of expansion over the past year in the passenger car industry, which it dominates. The company saw a 30% rise in sales.
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- • Rising incomes in India provide HMIL with a great opportunity for rapid growth.

Threats

- • Risk factors: Due to the nature of its operations, HMIL is susceptible to market fluctuations and other risks, such as those associated with demand dynamics, commodity prices, interest rates, etc.
- Business risk: The automotive industry is very capital intensive. Such investments require a certain scale of operations to generate viable returns.
- Competitors: Maruti Udyog Limited and Tata Motors Limited are great and potential competitors of HMIL.

PEST Analysis

- HMIL is not known for starting fights or making waves in the business community. However, it fell out with Maruti Udyog because of a controversial ad. The commercial featured Maruti showing how much better it was than Hyundai. HMIL has requested that Maruti Udyog remove the offensive ads.
- HMIL's market share has been on the upswing as a result of the favourable economic climate. They
- place second in overall output but first in exports.
- In order to give back to the local community, Hyundai Motor India set up the Hyundai Motor India Foundation (HMIF).
- Established in 2006 to encourage corporate "social responsibility" and "giving back" to society.

- The term "corporate social responsibility" (CSR) refers to a broad category of activities undertaken by businesses with the goal of improving society as a whole.
- In today's technologically advanced and fiercely competitive marketplace, innovation is crucial to success. Hyundai's innovative products have helped it maintain its position as a market leader. Here are a few recent innovations:
 - A Smart Emergency Braking System
 - Traction control with intelligent cornering

History

HMIL's first car, the Hyundai Santro was launched on 23 September 1998 and was a runaway success. Within a few months of its inception HMIL became the second largest automobile manufacturer and the largest automobile exporter in India. Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary

of Hyundai Motor Company (HMC), South Korea and is the largest passenger car exporter and the second largest car manufacturer in India. HMIL presently markets 10 models – Eon, Grand i10, Xcent, Elite i20, i20 Active, Verna, Creta, Elantra, Tucson, and the newly launched Santro.

HMC has set up a research and development facility (Hyundai Motor India Engineering – HMIE) in the cyber city of Hyderabad.

As HMC's global export hub for compact cars, HMIL is the first automotive company in India to achieve the export of 10 lakh cars in just over a decade. HMIL currently exports cars to more than 87 countries across EU, Africa, Middle East, Latin America, Asia and Australia. It has been the number one exporter of passenger cars of the country for the eighth year in a row.[1]

To support its growth and expansion plans, HMIL currently has 475 strong dealer network and more than 1,300 strong service points across India which will see further expansion in 2018.[2]

In July 2012, Arvind Saxena, the Director of Marketing and Sales stepped down from the position after serving the company for 7 years.

In August 2018, Rakesh Srivastava, Director Sales and Marketing at Hyundai India resigned from his position after serving for six years.

On December 4, 2018: Hyundai Motor India Ltd, announced the top level management changes with immediate effect. Mr. Seon Seob Kim assumed the responsibilities of 'MD & CEO' from Mr. Young Key Koo.

Mr. Y K Koo completed 3 years' successful tenure to lead Indian operations and has led Hyundai Motor India to newer heights setting new benchmarks. Out of his 35 years of professional career with Hyundai Motor Company, Mr. Y K Koo had been the part of the Senior Management for long 12 Years in India with a strong understanding and orientation of Indian Auto Industry. His first stint from 1997-2001, when Hyundai established itself as a household name was with the launch of 1st generation 'SANTRO' and 'ACCENT' in India. He strengthened the sales and marketing operations during his second tenure from 2008-2011 and again headed the Indian operations in his 3rd tenure from November 2015 to November 2018. Recognizing his unmatched leadership and efforts, Mr. Koo received the Award of 'NDTV Automotive Man of the Year' for his contribution in growth of the Indian Automobile Industry.

Manufacturing facilities

HMIL has two manufacturing plants in Irungattukottai, Sriperumbudur, Chennai, Tamil Nadu. HMIL's manufacturing plant near Chennai 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 2 plants

in Irungattukottai, Sriperumbudur, Chennai increased to 7,00,000 cars per year. **a Analysis and Comparison**

4 P's of Marketing of Tata and HMIL

4 P's/Company	Tata Motors Ltd.	HMIL
Product	Tata has brand name that promises quality, Performance and class. The R&D department continuously strive to bring in new innovations and quality products that satisfy the Consumers. Also, they don't focus much on packaging of their product.	The products of HMIL can be classified into: <ul style="list-style-type: none"> <input type="checkbox"/> Durability and tangibility <input type="checkbox"/> Consumer good classification. <input type="checkbox"/> Industrial goods classification. HMIL focuses more on packaging and Labeling their product. Also, they provide maintenance to the consumers and provide their own transportation Services.
	For Tata Motors, pricing criteria depends on these factors: <ul style="list-style-type: none"> <input type="checkbox"/> Market condition 	For HMIL, pricing criteria depends on broadly two factors: <ul style="list-style-type: none"> <input type="checkbox"/> Internal factors (e.g.: cost of the

Price	<input type="checkbox"/> Cost incurred <input type="checkbox"/> Profit percentage <input type="checkbox"/> Dealer profit	product, product differentiation, etc.) <input type="checkbox"/> External factors (e.g.: demand, Competition, government, etc.)
Place	Tata follows the dealership method Of distribution for its products. There are single and distant Dealerships to market the vehicles. Tata has its manufacturing units in various cities such as Jamshedpur,	There are various factors that affect the Distribution channel of HMIL. They are: <input type="checkbox"/> Market consideration <input type="checkbox"/> Product consideration <input type="checkbox"/> Company consideration

	Lucknow, Pune, etc.	<input type="checkbox"/> Consumer consideration
Promotion	Tata does intensive advertising and Sales promotion for its products. It offers incentives, prizes, discounts, rebates, etc. to its Customers. But they don't do much of personal Selling.	HMIL also does rigorous advertising and Sales promotion of its product. HMIL does direct marketing through mail, websites, social networking, etc.

SWOT Analysis of Tata and HMIL

SWOT/ Company	Tata Motors	HMIL
Strengths	Tata is a well-established brand. It has a programme intensive management development to establish its leaders of tomorrow. It also acquired Jaguar and Land Rover.	HMIL is known for its quality products. Its customers encounter fewer problems than other car manufacturing companies. It also has more than 650 dealers in over 370 cities which acts its strength.

Weakness	Its products are based on 3 rd and 4 th generation platforms which does not acts as an advantage for the Company.	HMIL's commodity price risk to higher cost. And it is also exposed to the fluctuation of foreign exchange rates which affects the import of components and raw materials and export of the Vehicles.
Opportunities	The Nano could sell well in the Markets like of China. The acquisition of Jaguar and Land Rover bought the company to enter The luxury segment.	HMIL's sales went up by 30%. It is Growing steadily in this market. With the change in lifestyle of the customers, gives HMIL a chance to grow and expand further.
Threats	The powerful competitors in the luxury segment like Honda and Toyota are beginning to push into the market. As they are not very experienced in this segment, it would be difficult for them to survive.	There are broadly three categories of threats of HMIL: <ul style="list-style-type: none"> □ Risk factors-demand dynamics, commodity prices, etc. □ Business risk- capital intensive and investments on various scales of Operations. □ Competitors- Maruti Udyog And Tata Motors.

PEST Analysis of Tata and HMIL

PEST/ Company	Tata Motors	HMIL
Political/Legal Environment	Acquisition of land attracted heavy criticism as it required the displacement of farmers. Tata then Closed its plant Singur.	HMIL got into a dispute with Maruti Udyog on a controversial advertisement by the latter.
Economic Environment	Tata's GDP growth rate has been around 7%. High interest rates impacted its financial infrastructure in the first quarter of 2013.	The market share of HMIL has been growing steadily over the past 18 years. Now, it is No.1 in exports and No.2 in volumes production.
	Tata provides employment to the	Hyundai Motor India Foundation

Social Environment	local population. It also supports more than 600 NGO's and has opened many educational institutes like Tata Institute Social Science, etc.	(HMIF) was formed in 2006 with the purpose of 'giving back' to the society to initiate CSR.
Technological Environment	Tata Technology Ltd (TTL) helps in up gradation of designs and new Technologies .	HMIL comes up with new technologies like Advanced Emergency Breaking System and Advanced Traction Cornering Control to sustain their top position in the market.

Conclusion

Tata Motors Ltd is a more well-established and robust company than its Indian rival, Hyundai Motors India Limited.

Tata has a presence in almost every segment of the Indian auto market. There is a wider range of products, prices, and customers. In order to aid in the creation of new products and the introduction of innovative upgrades to existing ones, Tata owns a technology company. Also, it helps to improve the world for everyone.

However, Hyundai Motors India Ltd (HMIL) still faces challenging conditions in the domestic market. Not being the top exporter is not crucial to its survival, but it does need a share of the market. As the value of their currency fluctuates, they will almost certainly experience a rise in the cost of their inputs.

The following set of marketing practises is crucial for companies to succeed in India's competitive auto market.

First, producing items that are beneficial to both humans and the environment.

When determining prices, keep in mind the following factors:

Insist Upon

state of the company's finances

iii) Inputs and outcomes

iv) The Government (exchange rates, tax rates, etc.)

v) Competition and economic health

Thinking about new ways to contribute to the society. Coming

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