6.1 GENERAL RECOMMENDATIONS

1) Build emotional associations of the Product with the customers

A product in its design phase may be exposed to customer groups. When customers are exposed to the basic design, certain memories are evoked. When the emotional strands are banded together, this leads to design changes and some other open suggestions boosting the company’s confidence vis-à-vis the vehicles salability. Shift in two wheelers from scooters to motorcycles may be the urge to have control over the vehicle being used and the power appeal it can exert on others.

Indian customers’ preferences though are in line with the global customers; there are certain major differences. The perceptions and opinions vary, as they are linked to the terms of the relevant marketing environment. India is a diverse market. Culture of the Indian market is one of the causes for this difference in behaviour. Companies targeting Indian market need to understand the complexities within the typical Indian buyer. The success or failure will depend on the closeness of the product to the customer needs.

2) Speed up the New Product Launch Process

Company feedback indicates that products are defined at an early stage. But the time period between idea generation and commercialization is minimum 2 years. The product specifications defined earlier need to match with the market conditions prevailing at the time of launch. If the time period from design to

At times, companies should also work on introducing old products with unique style change. This speeds up the New Product Launch process.
3) Building Common Product Platforms

Automobile industries face rapid technological change. Technological changes are because of changing customer demands, stiff competition and the regulatory norms governing the industry worldwide.

Companies should evolve product platforms that could be used for many products. This speeds up the new product development process.

4) Introduce Lean manufacturing

Lean Manufacturing can help the companies in structuring their product development process to result in faster new products. Companies should improve their effectiveness at the design and manufacturing stages.

4) Define the Product

The researcher feels it would be a strategic step if the products that the automobile companies propose to launch were defined in the early stages of product development. The clarity about the product to be developed should exist with the management and the staff of the company. Typically in the automobile industry, the product development cycles are long. Hence at an early stage the product story should be finalized.

The steps would be as follows

1) Need to define the product and the market to which it will be sold
2) Work on the marketing mix
3) Finalize the product and make it ready for sale
4) Formally launch the product
Complete strategy should be developed at an early stage. Strategy should consider the product, price, promotion and distribution related issues. This will be a proactive measure and should be flexible. Some strategic considerations may be altered as the market demands.

What is required in the marketing of automobiles is the need to have a wider definition of the product. This definition will help the company create a brand attitude. Customers judge the vehicles many times on emotional grounds and exterior styles. Hence defining the product would enable in building the right branding strategy.

5) **Focus equally on rejuvenating existing products**

Introducing completely new products in the market is risky. Even if the initial response for the vehicle is good, it takes time to settle down. Companies should regularly monitor the performance of the existing models. As and when required, modifications should be made and new variants of the same should be planned. The end objective is to increase the life span of the vehicle in the marketplace. However it is important to ensure that variants do not tread into the territory of other products of the same company.

When a refreshing exercise is carried out on the existing vehicles, then this gives two strategic alternatives to the company-

1) **Cut down the price** – By stripping down some features and increasing efficiency of the vehicle, the price of the vehicle may be reduced. Reduction in the price motivates the price conscious buyers to buy.
2) Increase the price – By adding certain features, the value of the vehicle is increased. A company gets an opportunity to elevate the image of the vehicle in this case.

Variants provide alternatives to the customer to choose from. In addition, introduction of variants from the company is seen as a act of progress and development by the customers. This action increases the confidence of the customer in the company.

6) Set the Launch Timing and adhere to the Schedule

One major observation during the company survey and dealer survey was that the launch timing was not a very special issue. The dealer feedback suggested that vehicle was launched when the company was ready. There were no major reasons for launch at a particular time.

However on the basis of the published literature, the researcher considers launch timing to be very important and critical for new product success.

The point to be noted is that if the companies delay the product launch for some reasons, this will give an opportunity to the competitor to launch their product. The launch timing should be set after duly considering

- The readiness of the market to accept the product
- Competitors actions
- Demand of the customers
- Channel demand and pressure
7) Build Credibility and Confidence for the Existing Products

Companies need to put in 100% efforts in building the credibility and confidence for their existing products. Once the customer is very delighted with the use of existing vehicle, he responds positively to other new introductions of the company. Let us take the example of the launch of Maruti Swift. The market has given an overwhelming response to this new product from the Maruti Suzuki stable. MUL sources say the responses have crossed even the company expectations. Suzuki has developed Swift as world car. Further, Bajaj Auto’s motorcycles namely Pulsar and Discover were received with open arms. Hero Honda without much publicity continuously introduces new bikes with a good combination of features and price. But it is the credibility built for Hero Honda by their models Splendor and CD 100, which help them in new product introduction. Tata Indigo priced at around Rs 4.70 lakh is the largest selling car at present in the mid-sized segment. However the success can be attributed partially to the phenomenal success of the small car Tata Indica that matched the expectations of the customers. Indica built confidence in the customers on Tata’s capabilities in the Passenger Car segment.

8) Gear R & D to seek viable solutions for fuel replacement to petrol and diesel

Fuel consumption in times of rising fuel prices acquires serious dimensions especially in India. The consistent increase in the prices of petrol and diesel is actually increasing the recurring costs of the vehicle users. Finally the choice of a vehicle will be made keeping in mind the daily pinch to the pocket. This may sound odd but the mass markets definitely think on these lines.
The primary survey of customers directly indicates that fuel efficiency is most desired by the customers in a vehicle. So companies need to concentrate the NPD efforts on developing vehicles that can run on alternative fuels. Large investment in R and D should be made for developing alternatives for conventional fuel. This may not be possible at individual company level. The researcher wonders if companies in India will collaborate for this objective, as this is a concern for everyone.

9) **Product Launch Announcement to be timed with Product Availability at the dealer outlet**

The product should be available with the dealer at the time when the customer is first informed about the product through the media. As per the feedback given by the dealer for Hero Honda, the company makes ample stock available with the dealers at the time of product launch. By this way customer demand is immediately catered to. Demand supply equations if is maintained well then customers are happy.

10) **Keep communicating about the Product regularly**

One aspect of the Launch plan includes

a. Selection of the Advertising Agency

b. Advertisements in newspapers, radio, television and appropriate focus on outdoor advertising

c. Positioning of the Product – Product Details and Differentiation

d. Media Reviews

e. Public relations
Discussion with company executives clarified the researcher about how the vehicles are launched. According to the feedback companies either go for a soft launch or a hard launch. If the product is to be tested then the company limits the launch of the product to certain markets. The vehicle is made available with the dealers. The customers are talked to about it and sales begin. In this case of soft launch, the company is keen to judge the response of the market and then make some changes if necessary and recommended by the customers. This is in order to reduce the risk and lower the cost. This gives scope to the company to make any modification to the marketing plan prior to the full national launch.

In case of a hard launch, an aggressive marketing campaign is planned to introduce the arrival of the product in the market place. Advertisement in various media, Hoardings, Endorsements, Road Shows and many other activities are planned to have a high impact of the launch.

Further in case of commercial vehicles it is observed that the customers work on the brand image of the product. Little advertising is seen for medium and heavy commercial vehicles. The emphasis is on making a solution available for the customer problems at the dealer outlets.

However, researcher feels the need to brand the company is absolutely necessary. The customer memory should recall a company whenever vehicle purchase is thought of. This should be irrespective whether the vehicle is a scooter, a car, a jeep, a goods carrier, an auto rickshaw, a medium size truck or even a heavy truck. For timely brand recall, there
is a need to communicate regularly to your target customers. Corporate advertisements need to be released frequently. Product advertisements may be released as and when required. Positioning plays a very important role in acquiring the desired image for the vehicle. Nobody forgets

- Fill it, Shut it, Forget it from Hero Honda
- Hoodibaba from Bajaj Auto
- More space per car from Tata Motors
- Sunshine Car from Hyundai

These punch lines in a simple manner put forth the core attributes of the vehicle to the customer. It is easy to remember them and correlate.

11) Make Innovation the Driver of the Company

In order to pursue growth a company can expand geographically by venturing into different markets at one time. It can also acquire or merge with others. One other way is by improving performance in the markets it is currently operating. But all these ways do not guarantee success in the long term. In the words of Peter Drucker, every organization needs one core competence that is Innovation. Innovation is the driver of future growth and improves the profitability of the company. It also helps in improving the perceptions about the company.

It can be concluded that innovation is not an instant achievement. A culture takes shape after years of focused hard work. Automobile companies since at one time are working on new products and incremental innovations in the existing products should build a strong innovative culture within the organization
The researcher suggests organizational change in terms of culture. The top management should focus on creating and spreading the innovation culture in the company. Having the right mix of people motivated to innovate will reap rewards in the long run.

Researcher has developed integrated product Launch System that has been split up in three phases. This system suggests that the top management vision plays a very important role in terms of developing a culture.

12) Plan to deliver a lifetime value to the customers through launch of products

New products are launched to add revenues and recover the investment. This product needs to be studied in the expanded form. The key to ensure long-term profitability is to look at the life span of a vehicle. A vehicle either a two-wheeler or a four-wheeler remains with the customer for a certain period of time. This period varies as per the urge of the customer to upgrade to a new vehicle. In India the life span of a car with a single customer is higher than the life span of a two-wheeler. In this case it is interesting to note how Maruti Suzuki looked at the lifetime value concept related to cars. The company identified that in order to improve profitability per vehicle, there is need to look at the vehicle from the following three perspectives

1) Actual Vehicle
2) Maintenance of the Vehicle
3) Resale Value of the vehicle

Actually once the customer buys the vehicle and the warranty period is over, he has an option to choose a Service provider of his choice. So for the sake of loyalty from the customers, the company came up with
Network of Authorized Maruti Service Stations to maintain the vehicles

True Value – To channelize the sales of second hand cars

Understanding the purpose and the value offered by the product will be helpful to the auto companies. A trend is foreseen where auto companies are offering enriched valued added services to the customers. This will help in spreading goodwill and building brand equity. This will further lay a platform for better receptivity to new products of the company.

13) Incorporate flexibility in the company strategies so as to respond to change

The researcher observed that companies make strategic moves as and when required by them. This requirement is a result of market pressures. Given below are the strategies used normally for problem situations by auto companies in India:

Table 28: Strategies of automobile companies to various situations

<table>
<thead>
<tr>
<th>Situation</th>
<th>Strategy</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Product Introduction</td>
<td>Aggressive Pricing</td>
<td>Maruti Swift, Bajaj Avenger</td>
</tr>
<tr>
<td></td>
<td>Premium Positioning</td>
<td>DC’s Maybach</td>
</tr>
<tr>
<td></td>
<td>Extensive Marketing</td>
<td>Hyundai Getz</td>
</tr>
<tr>
<td></td>
<td>Publicity, Advertising</td>
<td>Bajaj Discover</td>
</tr>
<tr>
<td></td>
<td>Unique Branding</td>
<td>Bajaj Wind 125</td>
</tr>
<tr>
<td></td>
<td>Celebrity Endorsement</td>
<td>Kinetic Boss</td>
</tr>
<tr>
<td></td>
<td>Test Rides</td>
<td>TVS Victor</td>
</tr>
<tr>
<td></td>
<td>Easy Financing options</td>
<td>TVS Scooty Pep</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All companies offer test drives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All companies offer easy financing options to the customers</td>
</tr>
<tr>
<td>Maintain the current sales</td>
<td>Introduce variants</td>
<td>Hyundai Accent</td>
</tr>
<tr>
<td></td>
<td>Promote extensively through dealers</td>
<td>Maruti Alto, Santro, Splendour, TVS Scooty Pep</td>
</tr>
<tr>
<td></td>
<td>Celebrity Link</td>
<td></td>
</tr>
<tr>
<td>Increase the sales</td>
<td>Export</td>
<td>Tata Indica in UK</td>
</tr>
</tbody>
</table>
### Enter into new market segments

- **Decline in Existing Vehicle Sales**
  - Reduce Price
  - Promote Extensively through dealers
  - Advertise
  - Celebrity Association
  - Allow cannibalization
  - Withdraw

- **Branding Issues**
  - Withdraw and replace with better product

- **Technology Gap**
  - Introduce new product with improved technology in place of old product

**Rover**
- Mahindra and Mahindra export Scorpio
- Maruti Alto in Europe
- Bajaj, Kinetic
- Honda in Scooters, Hero
- Honda in Scooterettes, Kinetic launch motorcycles

- **Maruti 800**, Maruti 800
- **Maruti 800**, Maruti Versa
- **TVS Scooty to be taken over by Scooty Pep**

- **Qualis being replaced by Innova by Toyota motor Company**

- **Bajaj Auto withdraws Eliminator and replaces it with Avenger in 2005**

### 14) Study Media Habits of the Customer so as to reach out to them

When a launch is planned, the company considers several methods of communication and promotion. However, a balance of the available mediums needs to be maintained. The target audience and their habits need to be studied carefully. For example, the media choices of the urban customers vary when compared to their rural counterparts. As perfectly said by Al Ries in his book 'The Fall of Advertising and the Rise of PR', "public relations builds a brand; advertising sustains it". What is expected is an integrated marketing effort, which should be planned, in the early stages of product development. This promotional mix may vary from one market to another depending on the characteristics of the market.
Advertisements are supposed to build the image for the product. The dealers and the customers who participated in the survey gave highest point to advertisings as the most effective tool for a high impact launch. But number of times it is observed that the local newspaper advertisements released talk only of the various incentive schemes planned for the product. The idea is to generate sales. But there are chances of brand image getting diluted over a period of time. Hence while advertising care should be taken to protect the interest and the image for the product. The dealers supported this view of the researcher. Branding has a deep long term impact on customer thinking. It is very difficult to change the customer opinion once it is formed.

Innovative methods of communication need to be identified. The end outcome should always be creating a high impact. To take an example of Indica, in the initial stages the entire concentration was on print advertising. Media Innovation was used extensively. The company moved away from the small car concept and thus redefined the competition for Indica. As a result, Indica moved into the B segment.
6.2 GAP STUDY FOR IMPROVING THE PROCESS OF PRODUCT LAUNCH

Looking at the entire process of new product launch, it is likely that gaps may occur at certain stages. These gaps may create problems in terms of the final performance of the product in the market place. The researcher while building the conceptual framework for the research identifies the following gaps, which may prevail. A gap is a result of a lacuna or a weak link that can lead to problems for the product and the company. These are sometimes known partially or sometimes the company is oblivious of their existence. The researcher feels these gaps contribute to the success or failure of the new product launch strategy of any company.

6.2.1 -HUMAN GAPS

1) Need Gap:

According to the researcher, before planning any product customer needs should be identified correctly. A product is expected to cater to the needs of the customer. Hence understanding the needs of the customer is essential. If adequate focus is not given to customer understanding, this will result in inaccurate analysis of customer requirements. To take and example, a two-wheeler customer in India gives high importance to the fuel efficiency of the vehicle. Automobile companies in their pursuit to create stylish vehicles should focus on the mileage offered by the vehicle. If the vehicle closely matches customer expectations, then the product is considered satisfactory.

e.g Hero Honda motorbikes have a better market share mainly the mass market needs are matched by them.
2) Perception gap:

Interaction with the customer takes place directly or indirectly. Direct is through Focus Group Discussions or Interviews or Questionnaires. Indirect is by way of observation or by using published information. The analysis should be made in a careful manner. There are all chances of the customer problems being perceived differently. Incorrect analysis and understanding of customer related issues are likely to create different perceptions in the mind of the manufacturer. Further, information in its correct and original form should be circulated within the organization. If not, it is likely to result in a Perception Gap.

It is observed that the marketing and the sales team only have direct interaction with the customers. The summary of customer feedback is available only with them. The researcher is of the opinion that highlights of customer feedback should be communicated to the concerned departments of the organization.

3) Relationship Gap

Relationships with customers, suppliers and dealers is what the researcher focuses on. Gaps in communication with these entities create differences in thinking. The organization should foster strong relationship with the customers to improve brand loyalty and ensure long term profitability of the company. CRM practices provide new insights to qualitative improvement in customer relationships.

The need of the hour is strengthen the bonds with the customers. The automobile segments such as two wheelers and passenger cars are witnessing the up gradation of customer to better / improved vehicles in a short span of time. The end objective of these
relationship bonds should be brand loyalty. Brand loyalty will draw the customer to the same company again for new purchase. Secondly better relationships will lead to a healthy dialogue of the customers with the dealers and the company.

4) Leadership Gap

Leadership defines the course of action and growth to any company. It is the Leader’s vision that guides the company. Even at various junior levels of management, leaders should be identified and groomed to take on key future responsibilities for the company. Performance and the vision of the leader trigger a creative spirit within the company. It is observed by the researcher that leadership of Mr. Rahul Bajaj, Mr. Ratan Tata, Mrs. Sulajja Firodiya Motwani, has made a great difference to the existence and growth of the companies such as Bajaj Auto, Tata Motors and Kinetic Motor Company.

6.2.2-COMPANY related GAP

5) Planning Gap:

Proper planning of the product development process is crucial. The planning process should have regular checkpoints of at every stage. The modern management focus on cost cutting, quality improvement etc is achievable only if planning is perfect. Strategic planning is the need of the hour. A plan should be viable under prevalent market conditions. Secondly alternative plans should be ready for use with reference to any change in the external and internal environment.

The time period between product development stage and commercialization period should be minimum. Launch timing is critical for new product success.
6) Implementation Gap:

Many times great plans are made on paper. But when actual implementation of the plan begins, there are gaps and loose ends. It is important to delegate responsibilities to qualified and eligible people. It is equally necessary to monitor the performance of the team in terms of the task assigned. Reviews should be taken after every stage. In case of production of any product, checkpoints should be planned. This will lead to identification of loopholes or errors at an early stage.

Formation of new product teams or having New Product Managers is a good way of assigning specific responsibility of new products.

7) Competition Gap

When a product is launched in the market, it finds itself amongst competitors in the market place. The customer compares the available products and finalizes the decision to purchase. The product / brand needs to be put up in comparison with the competition. It is the responsibility of the seller to create distinction between their product and the competitor’s products. A compelling proposition can motivate the customer to buy. Sometimes companies make blunders while placing their products in the marketplace.

Tata Motors specifically did not want Tata Indica to be called as small car. Hence it was carefully slotted into the B segment with the slogan ‘More car per car’.
8) Technology Gap

A company needs to progress in line with the technological development. Technological excellence is difficult to explain and understand. However, if converted into understandable benefits technology is well understood. Need for technological advancement is for two reasons – one to improve the internal processes and the second is to improve the quality and the performance of the product. Some companies innovate and adapt to newer technologies quickly while some take a longer time. It is important to note that markets expect companies to improve on the technology front. For example, customers in India are giving preference to four stroke engine based two wheelers instead of two stroke engines. Hence, auto companies had to upgrade to 4s stroke engines. However, companies feel two-stroke technology is good for scooterettes where fuel efficiency and maintenance cost are priorities for the customer. Four stroke engines are good for motorcycles where the customers seek performance and mileage.

Typically in a country like India, two wheelers are used differently in comparison with the other world. Two wheelers here are either family vehicles or cater to individual transport needs. Customers seek translation of technology into understandable benefits. These benefits are valued if they reduce the operating cost of the vehicle. In addition, with the stringent emission norms, technology should be aimed towards making environment friendly vehicles with minimum vehicle exhaust. Customers are hopeful that automobile companies will soon come up with technology for vehicles that will run on alternative fuel.
In conclusion, use of technology should enhance the value of the vehicle and provide monetary benefits to the customers. Technological competence can give a unique advantage to the company.

9) Communication Gap

Product information should be properly circulated among target groups. These target groups should be communicated with by using a language they understand. Proper information about the product, its performance, its features should be highlighted. Communication plays a crucial role in the modern marketing era. Otherwise there are all chances of the product either being unheard or getting lost amongst the clutter.

It is interesting to note the launch campaigns for Ford Fusion, Bajaj Wind 125 Discover and Pulsar, Yamaha Fazer, Tata Indica, Indigo and Indigo Marina, Mahindra Scorpio, Toyota cars. Creative advertisements were developed to make the impact. The need of the hour is to identify the right media mix for the vehicle category being sold. For commercial vehicles, corporate advertisements are required. Customers believe in brands and accordingly make their preferences. In case of two wheelers, it is mainly the teenagers who form a majority group of buyers for two wheelers. Now for effective communication, the media habits of the teenagers should be studied. Accordingly the communication mix should be made. To elaborate further, the researcher feels it makes sense to advertise on TV by using a celebrity, to put up huge hoardings in the urban areas and include print advertisements in lifestyle magazines.
10) Motivation Gap

A company with a motivated team of people is likely to perform better when compared to one where people are not motivated. Motivation is a result of number of factors. However, one of the reasons of motivation is the conviction one has in the products which his/ her company makes. Motivated teams play a phenomenal role in improving the product performance. Motivated teams should be developed even at the outlets of the channel partners. This has an indirect impact on the product strategy. Dealer showroom is a people centric set up. Proper motivation should exist for the staff working at the dealer outlet. Companies should organize training programs for the staff at dealer outlets. Key dealer representatives should be involved in the product development process. This would really boost their morale.

11) Innovation Gap

Innovation is necessary. It helps the company in achieving a unique advantage over the competition. It drives a spirit for excellence and growth within the organization. However this needs to be supported and properly channelized by the top management.

Employee participation in idea generation should be increased. An example of companies like 3M and Toyota may be considered. Top management should give thrust towards fostering innovation as a culture in the organization.

6.2.3 -PRODUCT GAP

12) Design gap

The aesthetic appeal of the product is conveyed by the design. A superior design casts a great impact on the customer. Customers rationally and emotionally get involved with the
product. In case of tangible products, design plays a very important role in shaping the personality of the product. A design may be liked, disliked or partially liked. Design convinces the customer to pay the price. Especially in automobiles, the researcher feels design of the vehicle is an important aspect. Compact and classy design is the desire of the customer. If the design is not appealing, the response gets affected.

Daewoo's Matiz lacked in visual appeal. It is applicable to Santro that was redesigned to make it more acceptable. A class of customers in India is ready to pay a price for a stylish looking motorcycle. Analysis suggests that companies manufacturing motorcycles, scooters and scooterettes are giving great importance to the design of the vehicle. New segments in the form of premium and performance bikes have evolved which command a price. The interesting aspect is that the visual appeal convinces the customers in terms of the price. Honda introduced a stylish looking scooter with the name 'Eterno'. Kinetic introduced two expensive performance bikes namely Aquila and Comet. Though the market for these products is small in size, still the fact that companies offer this category itself signifies the future potential for such type of vehicles.

13) Image Gap

Image is the impression of the product on the mind of the customer. Amidst a crowd of similar brands, a brand needs an identity. Products that are given a good image in the marketplace have better recall value. Good image also enables the company in generating a good will.
The perceived value of the product is derived from the image created about the product. Maruti Suzuki positioned 800 as a small car that was affordable to the masses. The advertisements created a strong desire in the minds of those who aspired to own a car but wanted an affordable option. Easy installment schemes promoted by the company definitely hit the target audience in the right sense. The outcome of this image building strategy is seen in the success story of 800.

Even today irrespective of the fact that numbers of other car brands are available, whenever the thought of purchase of a car occurs to a common man, the first choice remains to be an 800. (Source Customer interaction)

14) Service Gap

Products that need service support after purchase require proper service facilities as a back up. When placed on the tangibility – intangibility spectrum, the automobile category comes under products which need strong service support for consistent performance. The customer confidence is won only if the service support is excellent. This after sales connection with the customer may seek lifetime loyalty from the customer. But if service is poor then this results in a number of problems for the company.

Automobile companies build a strong service network even before launching their vehicles. Maintenance of the vehicle and availability of genuine spare parts are the two main issues involved.

In order to reduce the service gap, the company must ensure the following-

1) Proper training to the service staff
Inform the service staff about how to take care of the customers and value the relationship with them

Ensure timeliness and maintain quality

Design value added services for the customer

Availability of genuine spare parts

Customer convenient service facility

15) Price Gap

Customer is ready to pay a price for a certain set of features in the product. If there is a mismatch, then adverse reactions are seen. However, pricing remains a very sensitive issue both for the company and the customers. Right pricing can have a huge impact on the success of a product.

Pricing strategies cannot be made universal. They have to be altered from one market to another. The market psychology acts as a major catalyst in triggering a response from the buyers. In case of automobiles, the dealers do not play any role in setting the price for the product. But they are completely aware of what will be the acceptable price range from the customers' point of view. Interacting with the dealers on this issue can reduce the pricing gap. Secondly customer feedback at early stages of product development and before the commercialization stage will enable the company in knowing the customers mindset with reference to pricing. The pricing should be within the acceptable zone of the customer. However, the need of the hour is make products available at various price points. Though in some pockets of the market, price sensitivity is being replaced by
quality sensitivity, a large market in India is extremely price conscious. This is applicable to automobiles and other product categories as well.

India is broadly divided into two markets, one is urban and the other is rural. Companies have been planning separate marketing mix for these markets. It is only in India that we see there is huge difference in the behavior of the urban and the rural market. Price sensitivity is higher in rural India where as quality consciousness and impact of global trends is more obvious in the urban markets. As per the rules of the business world, competitive pricing is the most ideal strategy for the market followers. What researcher observed is that competitors in the automobile market slot individual products against those offered by the competitors. Given below are some examples of which brands are competing against each other.

Table 29: Competing Brands

<table>
<thead>
<tr>
<th>Category</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scooterettes</td>
<td>A) Kinetic Zing, Bajaj Sapphire, Bajaj Spirit</td>
</tr>
<tr>
<td></td>
<td>B) Bajaj Wave, Kinetic Nova, TVS Scooty Pep</td>
</tr>
<tr>
<td>Entry level Motorbikes</td>
<td>TVS Star, Bajaj Boxer, Kinetic Boss</td>
</tr>
<tr>
<td>(Around 30,000 – 40,000)</td>
<td></td>
</tr>
<tr>
<td>Performance Motorbikes</td>
<td>Bajaj Wind 125, Bajaj Pulsar, Hero Honda CBZ, Honda IUnicorn</td>
</tr>
<tr>
<td>B Segment Cars</td>
<td>A)Maruti Alto, , Tata Indica, Hyndai Santro</td>
</tr>
<tr>
<td></td>
<td>B)Hyundai Getz, Maruti Swift, Tata Indigo, Ford Fusion</td>
</tr>
<tr>
<td>C Segment Cars</td>
<td>Hyundai Accent, Honda City, Tata</td>
</tr>
</tbody>
</table>
Even before the product launch, lot of speculation is made about the price of the product. Magazines, websites, newspapers, television etc all make judgments about the pricing. This builds up expectations in the minds of the customers. Once the price is declared, the customer automatically matches it up with these expectations. Normally it is seen that pricing is the last final push for the customer to act. Many advertisements in the newspapers for vehicles emphasize on the promotional schemes which include discount offers. Rather than discussing in detail about the vehicles, companies continuously plan interesting offers for the customer to choose from.

The researcher has analyzed the probable gaps in the New Product Launch Strategy. There could be some more which have not been analyzed in this research work. This attempt is made with a purpose to improve the effectiveness of the new product launch strategy. This definitely is not a formula for success. But an open approach to understanding the existence of any such gaps in an automobile company will definitely help them in achieving the organizational goals.
6.3 AREAS FOR FUTURE RESEARCH

1) Effect of emotional association of the customer with the product on the success or failure of the product.

2) Role of media in the success or failure of a product.

3) Impact of leadership on the innovative culture of the company

4) Competitive strategies for market leadership

5) Correlation between product success and innovation