PRODUCT DIFFERENTIATION
BY MARUTI UDHYOG LIMITED
CHAPTER - III

PRODUCT DIFFERENTIATION BY MARUTI UDYOG LIMITED

Maruti Udyog Limited a Joint Sector Government Company (hereinafter referred to as Company) has been manufacturing and distributing different kinds of cars. A brief profile of the company is stated in the subsequent paragraphs of this chapter. The company manufactures and distributes 8 different kinds of cars. With the technology of Suzuki Motors Corporation, Japan, the company manufacturing the cars (hereinafter referred to as Maruti Cars) is the same for all kind of the cars. However, the 8 kinds of cars are visibly and technically differentiated. In this chapter, an attempt has been made to explain the product differentiation of Maruti Cars.

Profile of Maruti Udyog Limited

Maruti Udyog Limited (MUL) is the largest car manufacturing company established as a Government company in February 1981. A joint venture agreement was signed with Suzuki Motors Corporation of Japan. The Suzuki acquired 26% of equity shares with an option upto 40%. Suzuki Motors Corporation exercised this option in 1987 by increasing the equity holdings to 40% and further increase equity up to 50% was
made in the year 1992. As a result Maruti changed itself from Government Company to a non-Government company.

Maruti production facilities are located at Gurgaon, Haryana and have been installed as per Suzuki's design and specifications. The manufacturing process and quality systems are similar to what Suzuki's follows in Japan.

At Gurgaon, there are three plants. Plant-1 was erected during the time between 1982 and 1987 period. Maruti 800, Maruti 1000, Omni, Gypsy and Esteem are manufacturing in this plant. Plant-2 was commissioned in October 1994. Maruti 800 and Zen are produced in this plant. Plant-3 was commissioned in January 2000 incorporating the latest equipment and production facilities, while a capacity of One lakh cars per annum combining all the three plants, the total installed capacity of the plant is 3,50,000 vehicles per annum.
PRODUCT PROFILE

Maruti is one of the established names for the cars in the world. The company is serving to it's customers in a very good manner. The company was successfully balanced the following:

<table>
<thead>
<tr>
<th>SL.NO.</th>
<th>MONTH</th>
<th>YEAR</th>
<th>MODEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>December</td>
<td>1983</td>
<td>Maruti 800</td>
</tr>
<tr>
<td>2</td>
<td>November</td>
<td>1984</td>
<td>Omni</td>
</tr>
<tr>
<td>3</td>
<td>December</td>
<td>1986</td>
<td>Gypsy</td>
</tr>
<tr>
<td>4</td>
<td>October</td>
<td>1993</td>
<td>Zen</td>
</tr>
<tr>
<td>5</td>
<td>November</td>
<td>1994</td>
<td>Esteem LX</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>1999</td>
<td>Wagon R</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>2000</td>
<td>Baleno</td>
</tr>
<tr>
<td>8</td>
<td>October</td>
<td>2001</td>
<td>Alto</td>
</tr>
</tbody>
</table>

MUL has wide sales and service network spreading over more than 600 cities which include over 208 dealers sales outlets, over 240 dealers workshops, over 1504 Maruti authorized service station (mass, 29 inclusive spare parts stockists) and over 30,000 trained personnel.

This ensures easy availability of spare parts and efficient after sales service to Maruti's customer all over India, in order to provide service to the customer on the spot MUL recently. Maruti a road service in Delhi, Noida, Faridabad and Gurgaon, this service has been entered to 11 more
cities, which include the other three metro cities. It's being extended to cover the entire country.

FINANCIAL SERVICES

Maruti Udyog Limited has set up joint ventures finance companies. Maruti Udyog Limited along with HDFC and GE Capital created Maruti City Corporation Finance Limited with City Bank.

CONSUMER SATISFACTION

There are about 3 million customers who have tried and trusted Maruti vehicles and are convinced of their performance reliability and quality. The quality of Maruti vehicles is world class standards. Maruti Udyog Limited is the first Asian car manufacturing company (outside Japan) to obtain ISO 9001 certification.

EXPORT

Maruti has been exporting vehicles to more than 70 countries and earning a sizable foreign exchange to the country every year.
EMPLOYEES

Maruti employees numbering around 5000 are one of its greatest strengths. The lively productivity of its workers has a favourable comparison with other Japanese and Europeans counterparts.

COMMON FEATURES AMONG MARUTI CARS

The product appearance and the technical features of all the 8 kinds of cars are significantly different. A buyer can easily understand the difference in appearance but could not understand technical differences. In spite of differences, there are many common features among the Maruti cars. The common features among Maruti cars such as all are Light Motor Vehicle, using radial tyres, using Japanese technology, can be had air conditioning facility, automatic gears shift, etc. have been stated in table 3-1.
# TABLE 3.1

## TABLE SHOWING THE COMMON FEATURES OF MARUTI CARS

<table>
<thead>
<tr>
<th>Common features among Maruti cars</th>
<th>Maruti 800</th>
<th>Maruti Omni</th>
<th>Maruti Zen</th>
<th>Maruti Esteem</th>
<th>Maruti Alto</th>
<th>Maruti Wagon R</th>
<th>Maruti Baleno</th>
<th>Maruti Gypsy King</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMV</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Radial tyres</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Technology involved</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Maximum convenience</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Air-condition facility</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Automatic gear shift</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Easy maintenance and Driving</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mere appearance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Primary Data
MARUTI 800

Maruti 800 appearance is similar to Ambassador car and Fiat car with a wider distinction from these two cars. Maruti 800 was the first product of Maruti Udyog Limited. The distinctive features of Maruti 800 from those of the seven other Maruti cars are as follows.

i. It is available in 6 different colours.

ii. Starting pulling power of 45 bhp engine.

iii. Fuel efficiency due to the 5 speed manual transmission

iv. Easy start – stop city driving

v. Tyres size radial 145/70-R-12

vi. Tank capacity 30 litres

vii. Front brake Disc

viii. Rear brake Drum

ix. Steering rack and pinion

x. Number of cylinders 3

xi. Ground clearance 170 mm

xii. Seating capacity 5 persons

xiii. Unladen weight 665 kg (DX)

xiv. Laden weight 665 kg (Maruti Standard X)
MARUTI OMNI

It is another kind of Maruti car with the following distinctive features.

i. It is available in 6 different colours.

ii. Starting pulling power of 50 bhp engine

iii. Fuel efficiency due to the 6 speed manual transmission

iv. Easy start – stop city driving

v. Tyres size radial 145/80-R-12

vi. Tank capacity 35 litres

vii. Front brake Disc

viii. Steering rack and pinion

ix. Number of cylinders 4

x. Ground clearance 175 mm

xi. Seating capacity 6 persons

xii. Unladen weight 770 kg
MARUTI ESTEEM

Maruti Esteem's mere appearance is similar to that of Maruti cars. It is exist on a higher plane within the quiet, luxurious interiors of the new power esteem. The following are its distinctive features:

i. It is available in 7 different colours.

ii. Starting pulling power of 65 bhp engine

iii. Fuel efficiency due to the 5 forward, 3 speed manual transmission

iv. Tyres size radial 155/80-R-13

v. Tank capacity 40 litres

vi. Steering rack and pinion

vii. Number of cylinders 4

viii. Ground clearance 170 mm

ix. Seating capacity 5 persons
MARUTI ZEN

It is another type of car in Maruti Udyog Limited. It is easy driving. The only car in India that's been specially designed for the physically challenged.

The following are its features:

i. It is available in 6 different colours.
ii. Starting pulling power of 60 bhp engine
iii. Fuel efficiency due to the new 3 speed automatic transmission with planetary gear
iv. Tyres size radial 145/80-R-12
v. Tank capacity 35 litres
vi. Steering rack and pinion
vii. Number of cylinders 4
viii. Ground clearance 165 mm
ix. Seating capacity 5 persons
x. Front brakes Disc
xi. Rear brakes Drum
MARUTI ALTO

Maruti Alto has a sensitive electronic power steering. It enables to take a turn in hairpin bends and U turn easily. It has a starting pulling power ranging from 45 bhp engine. It has more effective air conditioning. Further, it is proceeded with 5 speed all synchromesh manual transmission. Its engine has swept volume of 1061cc. The distinctive features are as follows.

i. It is available in 6 different colours.

ii. Starting pulling power of 45 bhp engine

iii. Fuel efficiency due to the 5 speed all synchromesh, manual transmission

iv. Tyres size radial 145/80-R-12

v. Automatic Steering system

vi. Tank capacity 35 litres

vii. Number of cylinders 4

viii. Ground clearance 165 mm

ix. Seating capacity 5 persons
MARUTI WAGON R

Wagon R is with its unique combination of power, spaciousness and driving pleasure. It is ideally suited for today's active families and their life styles. The distinctive features of Wagon R are as follows.

i. It is available in 6 different colours.

ii. Automatic Steering (EPS)

iii. Tyres size between 145/80-R-12

iv. Tank fuel capacity 35 litres

v. Cubic capacity 1061

vi. Minimum Ground clearance 165 mm

vii. Seating capacity 5 persons

viii. Kind of seats 4 bucket seats

ix. Number of cylinders 4
MARUTI BALENO

Maruti Baleno mere appearance is similar to that of Maruti Cars. The steering wheel begs to be held and the dashboard reaches out with easy access control. Adding punch to the new Baleno’s performance. The distinctive features are as follows.

i. It is available in 6 different colours.

ii. Amazing pick up

iii. Superb fuel efficiency

iv. Excellent handling

v. Fatigue free driving

vi. Engine piston displacement 1298 cc

vii. Tyres size radial 155/80-R-13

viii. Fuel Tank capacity 40 litres

ix. Minimum Ground clearance 165 mm

x. Seating capacity 5 persons

xi. Number of cylinders 4
MARUTI GYPSY KING

It is another type of car of Maruti Udyog Limited. It is superb maneuverability, smooth handling and raw energy, packed into a sleek jet rugged frame. The Gypsy King is the real adventure gear whether ploughing through dirt tracks, climbing formidable terrain or making four ways through the urban jungle.

i. It is available in 4 different colours.
ii. Starting with an incredible power of 80 bhp @ 6000 rpm
iii. Ground clearance 210 mm
iv. Engine displacement 1298 cc
v. Better fuel efficiency due to the new 5 forward speed manual transmission
vi. Tyres size F-78-15-4PR and 205/70-R-15
vii. Fuel Tank capacity 40 litres
viii. Seating capacity 6 persons
DISTINCTIVE FEATURES AMONG MARUTI CARS

The distinctive features among the Maruti Cars have been shown in Table 3.2. Though there are several common features among the Maruti cars described in the previous paragraphs there are distinctive features among them. The models of Maruti cars are physically and technically differentiated in the following lines:

i. Type & size

ii. Automatic steering

iii. Tank fuel capacity

iv. Cubic capacity

v. Steering capacity

vi. Availability in different colours

vii. Minimum Ground clearance

viii. Kind of seats used
TABLE NO.3.2

TABLE SHOWING THE DISTINCTIVE FEATURES AMONG MARUTI CARS

<table>
<thead>
<tr>
<th>Distinctive features among Maruti cars</th>
<th>Maruti 800</th>
<th>Maruti Omni</th>
<th>Maruti Esteem</th>
<th>Maruti Zen</th>
<th>Maruti Wagon R</th>
<th>Maruti Alto</th>
<th>Maruti Baleno</th>
<th>Maruti Gypsy King</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Steering</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tank Fuel capacity (litres)</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Cubic capacity cc</td>
<td>796</td>
<td>1000</td>
<td>1298</td>
<td>993</td>
<td>1061</td>
<td>761</td>
<td>1298</td>
<td>1298</td>
</tr>
<tr>
<td>Steering capacity</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Available in different colours nos.</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Minimum Ground clearance (mm)</td>
<td>170</td>
<td>175</td>
<td>160</td>
<td>165</td>
<td>165</td>
<td>165</td>
<td>160</td>
<td>210</td>
</tr>
</tbody>
</table>

Source: Primary Data
CONCLUSION

Maruti Udyog Limited is a Government owned foreign collaborated joint sector company. It manufactures and distributes 8 different kinds of Maruti cars. In spite of the distinction there are several common features among the 8 kinds. The distinctive features are two fold. One is product appearance and the other is product positioning. Product appearance is under the understanding of any buyer. The product positioning is technical nature which could not be understood by all buyers.