CHAPTER-IX

CONCLUSION
AND
SUGGESTIONS
As we all know that Indian market has always been dominated by excessive competition. In year 1991, in the fifth decade after independence, the manufactures of passenger cars also felt be of applying and using new techniques. It is vital to note that before that Indian consumers had to satisfy their needs from the few available models of passenger cars available at the time.

Such condition prevailing at that time in the market made the market purely sellers' market. The consumer at that time were not the king of the market like today, but actually at the mercy of those few passenger cars producers. The consumers had very few options to choose. The reasons for such conditions in the market was that manufacturers got full support from the government of that time so they were least bothered about the choice of consumer.

After doing this research work I can very well realise the difference between the condition of consumers at that time and the consumer of today.

At that time the consumers were bound to purchase those models of cars which were manufactured by the producers of those time but today the producers are bound to
produce such models which are actually the wants, desires, needs and dreams of modern consumers. Consumer who were not counted any were in the selling process at that time are today treated as the "king of market".

The credit to this vast change goes to none other than our today's manufacturers of passenger cars market like Hyundai Motors (who has just launched EON with a 814cc/833cc and mileage of 21.1 Km./L. few months ago in 2011), TATA Motors (who has given the gift of first small, attractive and affordable car after Maruti-800) but no doubt above all the maximum credit for the changes in the passenger cars world goes to Maruti Suzuki India Ltd.

It was February, 1981 when Maruti Udhyog Ltd. was established through an act of parliament of meet the growing demand of a personal mode of transport caused by the lack of an efficient public transport system. A licence a joint venture were signed with the Suzuki Motor Colorization of Japan in October, 1983.

Since December, 1983 when Maruti rolled out its 1st car in the Indian roads till today Maruti has tried to give us the best, keeping in mind the phase of change with change in decades.

Maruti gave us 'Maruti 800 which is still the best car for millions of such customers who prefer to drive small cars. The liking and madness of Maruti's 1st launched model Maruti 800 can be witnessed from the fact that although the production of Maruti 800 has been stopped few months ago but still if we
cross any reputed market of street, our eyes can see so many Maruti 800s on road till now. People have kept it at their homes as their 'first dream car'.

The customers desired and liking for Maruti increased with the number of years of its establishment. As the wheel of time kept on continuously Maruti also kept on producing more and more passenger cars models (from Maruti 800 till Kizashi of today) keeping in view the needs and desires of the people. Maruti is highly credited to bring an automobile revolution in India.

After 28 years of establishment today Maruti is reputation as the leader of passenger car market sees no negative slow. This itself shows that it is only the hard work and dedication of employees and management of Maruti that today's modern and rational customers have made it the king or leader of passenger car market.

The earlier focus of Maruti in its initial stages was "production, production and production" but now the focus has shifted to 'marketing and customer focus' we can observed this change from the changes in mission statement of the organization;

1984: Maruti's Mission statement was "Fuel efficient vehicle with latest technology". In 1987 its statement was "Leader in domestic market and be among global players in the overseas market". In 1997 its statement was "Creating customer delight and shareholders wealth".

In the current years its statement is "way of life."
Maruti has rendered its services since 28 years in the most honest and loyal manner with the help its hardworking and most efficient employees at working diligently in its two facilities at Gurgaon & Manesar. This can be witnessed from the fact that Maruti has been awarded customers satisfaction award 12 times by J.D. Power Asia pacific.

Maruti keeps on changing and repositioning its products keeping in mind the needs and desires of its customers. Few years back it converted into omni cargo (Omni has been positioned as a vehicle for transporting cargo and it was meant for small traders. Esteem was modified three times, Baleno was launched in 1999 at 7.2 lacs. In 2002 they slashed price to 6.4 lacs. In 2003 they launched a lower variant as Baleno LXi 15 5.46 lacs. This was to reduce the price and attract customers.

Zen has been modified five times till day. They had come up with a limited period variant called Zen Classic. That was limited period offer to boost short term sales. A latest variant with name Zen Estilo with an engine of 998cc and an average of 19 Km/L. is ready for sales now in the market. Maruti has launched this model in various colours as follows:
New Findings And Suggestions

Findings-

During this research I visited many showrooms and outlets of various passenger cars. Some latest findings are as follows:

1. Number of cars Sales of Maruti per month has increased in 2012 (since January).

2. Maruti has increased its number of outlets more than 8 times since 1983 till date.

3. Maruti has been in headlines continuously since August, 2011 as soon as the strike of Manesar started till October, 2011 when the strike ended.

4. During the strike Maruti has shifted its entire production from Manesar to Gurgaon facility.

5. Hyundai Motors have launched their new car "EON" in October, 2011. This car is giving a tough competition to TATA Motors "Nano"

6. Maruti has repositioned its Zen Model and has launched Zen Estilo in 2011.

7. Tata Motors have launched their new car PUNTO-2012. This car is giving a tough competition to Hyundai i-20 and Maruti’s A-star and Maruti’s Zen Estilo

8. Hyundai Motors have given a tough competition to Tata Motors in the recent five years. Earlier they were counted at number three position after Maruti Suzuki (The leader of passenger car market) and Tata Motors, but now after the
grand success of its advanced and unique models like Get-Z, i-10, i-20 and EON (recently launched in October, 2011). It has defeated Tata Motors and has attained second position in passenger car market.

9. Maruti Suzuki has recently launched its new car 'Ertiga' on 12th April, 2012. This car is again a gift from Maruti Suzuki to its customers who were in search of innovation and comfort along with good mileage at a reasonable price.
Ertiga Sticker-Shock For Maruti’s Rivals

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Place: Mumbai, New Delhi | Agency: DNA

As sucker punches go, this is the one that rivals feared the most: a segment-opening vehicle with fantastic utility value at a killer price point.

On Thursday, Maruti Suzuki left automakers of various hue in cold sweat by pricing the Ertiga such that an array of vehicles — some its own — have come under its crosshairs.

It announced an introductory price of Rs5.89 lakh for the base model seven-seater, saying petrol variants will come for up to Rs7.30 lakh, while diesels will cost between Rs7.30 lakh and Rs8.45 lakh, ex-showroom Delhi.

With the launch of Maruti Ertiga, earlier codenamed as Maruti R3, Maruti Suzuki India has taken into its ambit almost all car segments. Following the robust branding and low maintenance nature of Maruti cars, Maruti Ertiga has hit bang on the MPV market of India. Seven seater Maruti Ertiga is tagged as the great Indian family car. This can be also attributed to the effective price tag associated with Ertiga MPV. The new MPV received its name from Indonesian language in which Ertiga means Three Rows. Albeit the looks and features scream that it is a Multi Purpose Vehicle, Ertiga is positioned in the sub-segment of Utility vehicles
and this new segment is called as LUV-Life Utility Vehicle by Maruti. With this, Maruti officials claim they have created an entirely new segment in the Indian auto industry.

Ertiga’s launch has also announced Maruti’s entry into the utility segment of cars where the company is currently not a major player. Maruti in India has a beeline of cars including some of the best selling ones in almost every segment. It has Maruti Gypsy and Maruti Grand Vitara in the SUV segment; however these have meager sales as compared to SUVs of other brands. Besides, there are vans including Maruti Omni and Maruti Eeco that provide good option and are value for money cars but still used mainly be fleet owners. Ertiga is the first utility vehicle which is targeted as a premium product and is equipped with such features which attract urban audience.

Maruti Ertiga was first unveiled at the Auto Expo held in New Delhi in 2010 as Maruti R3 concept. However, the global premier of Maruti Ertiga was done in 2012 Auto Expo. Finally, on April 12th, 2012, Ertiga made its global debut in Delhi. Ertiga is the first Maruti car that is specially made for Indian market and will then be trimmed for other global markets. Rest, all the cars were first launched in other countries and where tailor made for India afterwards. The compact LUV has been developed in collaboration with parent Suzuki Motor Corporation (SMC)’s research and design wing in Japan and is produced in India itself. The Ertiga is manufactured at company’s facility in Gurgaon in India. Maruti Suzuki has vested nearly Rs 430 crore (Rs 4.3 billion) in developing Ertiga. The designers have carefully built in features and
attributes' of a sedan in a compact MPV Maruti Ertiga which is essentially built on theme of togetherness.

The almost fully grown seven-seater MPV or rather, LUV, is available in both petrol and diesel variants and three different trims. Based on Maruti Swift's platform, Maruti Ertiga petrol is packed with an all new 1.4 litre 1372cc K series (K14B) engine that produces a maximum power of 95 Ps at 6000 rpm and a maximum torque of 130 Nm at 4000 rpm. Being the K-Series engine, the USP of these engines is that they are more fuel efficient. The Certified fuel efficiency (as per CMV Rule 155, India cycle) of Petrol Ertiga is a top of the class 16.02 km per litre. The 1.3 L 1196cc DDiS Super Turbo diesel engine is the other engine guise that powers the LUV. This Fiat sourced engine is similar to that of the Maruti SX4 sedan. The Maruti Ertiga diesel produces 90 Ps at 4000 rpm and 200 Nm at 1750 rpm. The Certified fuel efficiency (CMV Rule 155, India cycle) of Diesel Ertiga is a class leading 20.77 kmpl. Maruti MPV has a five speed manual transmission system and the car is a front wheel drive and sports fine quality interiors, which makes it more appealing.

Ertiga is quite space efficient and will boast of its interior spacing within the mini MPV segment with 4265mm in length and 2740 mm wheelbase. Two airbags will adorn the top end models while ABS will be a part of standard equipment in Ertiga sans base model. Ertiga MPV is available in six variants: LXi, VXi, ZXi, LDi, VDi and ZDi. The middle and top end variants get twin AC, 3 spoke tilt-power steering with mounted controls, power windows with auto down on driver's side, central locking, audio system (USB
Compatible, 4+2 speakers), multi information display, keyless entry, etc are stuffed in Maruti Ertiga. The roof mounted AC vents in the second and the last row passenger seats provides passenger comfort. The new MPV is unquestionably designed to ensnare the Indian families who are specially looking for a perfect merger of everyday space and usability. This car is able to meet all life's expectations.

10. **Maruti Suzuki** is planning and looking forward to bring back **Maruti-800**, the **queen of all the cars**, by the name of **Maruti-Cervo** Maruti-800 is still the **dream car of billion customers** since **1983**. Maruti knows this fact very well, that in order to remain in number one position Maruti must launch **Maruti-Cervo** (new version of Maruti-800) as soon as possible. According to the dealers **new version of Maruti-800 will be launched within a year**.

**Maruti Suzuki to re-launch Maruti 800**

**Jul 25, 2011**

Maruti Suzuki is planning to launch a revamped version of its iconic Maruti 800 with an engine that meets the BS IV emission norms. The car was discontinued in April 2010 owing to non-compliance with emission norms. It is being speculated that the new Maruti 800 will have the same engine as the Alto and will be based on the Alto platform. The new car will also have more cabin space and new interiors.
A price of sub- Rs. 2,00,000 will be targeted for the car to separate it from the Alto by an amount of Rs. 40,000 and place it in the Tata Nano segment where it would have lesser competition with the Tata Nano facing a slow-down in its sales. At such a low price, along with better space and interiors, the M800 is expected to be a reasonable value proposition for the Indian customers. Currently, about 2,500 units of the existing M800 are being sold per month all across India with the exception of 13 cities where the BS IV emission norms are being followed.

**Maruti Suzuki To Introduce Cervo By march 2013 For Indian Market**-

With the phasing-out of Maruti 800, Maruti Suzuki has not any model to compete with Tata Nano. So Maruti Suzuki is looking to launch a replacement for Maruti 800 in the Indian market. **It can be as early as march 2013 when it launches its latest small car model Maruti Cervo. The car has been already introduced in Japan by Suzuki where it is quite successful.**

The new Maruti Cervo is a modern day version of Maruti 800 with sleek, sporty and classy looks. It is powered by 660cc petrol engine delivering 60 bhp of power and 64Nm of torque. This car will feature four-speed manual transmission and latest engine of Advanced Variable Timing technology. Cervo will compete at entry level segment with a competitive price tag of Rs. 1.5 lakh to Rs. 2 lakh. Maruti has not so far announced the final variants and colour options for this model.
Maruti Cervo will come with whole new exteriors and interiors. Honeycomb radiator grille, body coloured side view mirrors, eye-shaped headlight cluster, sleek body line are some of the new features of the model. Maruti Cervo is very light weight and will give mileage of 20-24 kmpl, according to company claims.

**Suggestions**-

In order to survive in today's competitive world. The passenger cars should take the following steps.

1. **Build a New Product Decision Support System**-

Knowing new product development as an ongoing organizational process requires a decision support system to provide timely information. Key elements are identifying new product decision problems modeling those problems establishing a data base of the important variables and relations in the model collecting and analyzing the data through marketing research methods and using optimization procedures to find the best decision. The design and implementation of new product decision support systems should be linked to an organization wide system to build a useful historical data base yet provide a capability for off-line analysis to support rapid retrieval and manipulation of data. Further the role of decision-maker judgment in data collection and modeling activities should be integrated into the new product decision support system albeit with care and scrutiny in order to continually learn from its use.
Estimate The New Product Market Opportunity-

The objective of market opportunity forecasting is to clarify the nature of a market opportunity and to estimate its market potential and market penetration. To accomplish this objective a model of critical factors that drive the new product opportunity should be formulated data should be collected to operationalize the model and the resulting forecasts should be updated throughout development. Estimates of year to year growth possible obtained from a data base of analogical diffusion models are critical for rapidly deciding the value of a new product idea. Unfortunately the procedures for quickly screening new product ideas with such information rely heavily on judgment.

Formulate A Sales Forecasting Process That Captures Market Response To New Product Alternatives-

In developing models for any of the forecasting processes but especially sales forecasting several guidelines should be considered.

- Develop a system of conceptual models that includes relevant variables
- Develop a managerial decision model that is simple intuitive and logical if after very careful study it is not understood revise it or don't use it
- To the extent possible develop rigorous sub models of selected variables in the spreadsheet model to improve estimation and link decisions to market response.
• Use a variety of data sources (market studies expert judgment secondary data) and methods (such as perceptual mapping positioning conjoint analysis of preferences and simulation) to operationalize the models and sub models.

• Submit the model to sensitivity tests with different values and check for robustness (for example using the "what if" tool on computer spreadsheets)

• Use multiple different and independent approaches and reconcile estimates when they are divergent

• Formulate alternative scenarios using variation in the values and assumptions of the model and consider contingencies.

Establish A Financial Forecasting Capability That Provides A New Product Control Chart-

Combining market opportunity and sales forecasts with estimates of new product costs investments risks and development cycle time provides a financial control capability that can be summarized in a control chart. The format of this control chart should be agreed upon by the new product team at the outset of the project and followed thereafter. It should include the key measures of performance that guide the pre launch development and post-launch tracking of the new product. Continual updating of all major forecasting processes to reflect changes in the shape of the new product and in the organization and market environment is the basis for realizing a capacity for control throughout new product development.
Consider Test Marketing As A First Step To Implementation-

Prior to launching a new product it is strongly recommended that a market entry strategy and launch marketing program be orchestrated and tested. This process should involve the use of simulated controlled and/or conventional test marketing to evaluate decide and refine the product and its launch program. Designing and implementing test marketing approaches should consider the nature of the implementation problems the new product its importance to the organization and the amount of uncertainty in the market environment. In some cases test marketing can be bypassed in favor of immediate market entry. This approach can succeed with careful attention to tracking the new product launch and modifying accordingly.

Develop a Market Entry Approach That Capitalizes On the Current Market Situation And Complements The Strategic Role Of The New Product -

Market entry for new products is highly situational being first does not always pay. The market entry approach should reflect environmental organizational and market factors (potential buyers competitors trade stakeholders) that define the situation A market entry approach should be based on the timing scale and resonance of the launch marketing program. Using market opportunity sales and financial forecasts can provide input to an approach for modeling market entry decision. In particular launch timing is critical when cycle time and/or competitive factors can make a difference in performance Recognizing time as a key variable and
making it the focus of a special decision model may be the best way to handle this market entry decision.

**Launch And Track New Product Programs To Implement Needed Modifications For Success**

Once a new product is launched the use of various data collection procedures and forecasting models to track performance modify and otherwise control the new product can lead to product and program improvements or to a comfortable decision to terminate the product. One issue related to how much effort an organization is willing to invest in post-launch tracking is problem diagnosis. Quick fixes and program changes that are based on impressions of market problems rather than diagnosis can lead to a product’s early demise or the extension of mediocre performance. Finding early launch marketing problems may lead not only to quick modifications but also to the next generation new product.

Experience has shown that although it will not be used often diagnosis can be helpful in all pre and post launch circumstances even in a postmortem sense. The ultimate value of new product development may be the learning it makes possible—learning how to adjust the marketing program to consumer needs, learning how to educate the potential buyer on the benefits of the new product learning why the product, won't succeed in the market and why it should be abandoned now learning that complete withdrawal is not necessary but that a next generation product can overcome the diagnosed difficulties and perhaps most importantly learning to have the patience to learn.
According to latest reference India will be the second automobile company in the year 2050 due to the hard and diligent efforts of Maruti and other car manufacturers like Hyundai, Tata, Skoda, Toyata, Volkswagen etc.

Indian automobile industry is seventh largest in the world. India's name is also counted by the Boston Consulting Group (BCG) which predicts that by 2014 one-third of the world demand will be in the four BRIC (Brazil Russia India, China) markets.