CHAPTER VI
PROMOTIONAL STRATEGIES IN MARUTI UDYOG LTD.

Promotion

Modern marketing calls for developing a good product, pricing it attractively and making it available to target customers. Company must communicate about the product with the customers. To communicate well, companies hire advertising agencies to develop effective advertisement, sales promotion; specialist to design sales incentive programme; and public relations firms to develop the corporate image. The company imparts training to their sales people to be friendly, helpful and persuasive. For most companies, the decision regarding what to communicate, when to communicate and how much to spend on communication.

Promotion mix

The company communicates with its middlemen, consumers and various publics. The middlemen communicate with their consumers and public and consumers have word-of-mouth communication with each other and with other public. In the process each group provides
feedback to every other group. The promotion mix, also called marketing communication mix, consist of four major tools.

- Advertising
- Publicity
- Personal Selling
- Sales Promotion

The marketing communication even goes beyond these promotional tools, product's design, price, the package shape and colour, and the sales person's manner to pursue the consumers to buy the product. The whole marketing mix, along with promotion mix, must be co-ordinate for greatest communication impact.

**Advertising**

Advertising is one of the major promotional tools that companies use to communicate directly with the targeted customers. Advertising has many purpose; long term building up of the organisation's or corporate image (Institutional advertising), long term build up of a particular brand (Brand advertising), information dissemination about sale, service or event (Classified advertising), announcement of a special sale (Sale or Promotional advertising) and advocacy of a particular cause (Advocacy advertising).
Maruti’s advertising function is handled by the marketing department, earlier which was takes the help of the Hindustan Thomson Associates (HTA) a leading advertising agency in India for the promotional activities of Maruti 800, Omni and Gypsy. Increasing competition in the car market Maruti udyog appointed another agencies namely Lintas which handled advertising for Baleno, Esteem and Zen brands and Rediffusion which has Maruti 800, Omni, Gypsy and Wagon R under its fold. Company sources Gopal S. Krishnan, accounts director, said that company moving to appoint another agency, which will handle its brand building. According to Krishan, Capital advertising had designed an effective campaign for the Vir Jawan Fund, which was promoted by Maruti recently. In developing an advertising programme, the marketing manager makes decision about the target market, advertising objective, advertisement budget, advertising message, advertising media and its measurement. The decisions are discussed below.

**Target Market**

A marketing communication conducted with a clear target of audience. The audience may be potential buyers of the company’s product, current users, deciders or influencers. The significant demographic characteristics of the targeted audience revealed by the
consumer survey. In this study a consumer survey has been conducted at Delhi and Aligarh on 50 respondents. The purpose of the survey is to find out the reason for the choice of Maruti car, the promotional factors that influence to buy Maruti car, the advertising media and its presentation that attract more to the car users. The responses have been represented in the diagrams.

Fig 6.1(A) shows the reason for the choice of Maruti car out of the 50 respondent, 27 percent of whom owned or wished to buy Maruti car because that it is economical and has got a variety of product that fulfill their needs, 8 percent of the respondent owned or wished to buy that suits to their profession, 8 percent of the respondent owned or whished to buy because of its efficiency and rest owned or wished to buy that it has got good look.

![Fig. 6.1 (A) The Reason for the Choice of Maruti Car](image)
Fig 6.2(A) shows the promotional factor that influence to buy Maruti car. Out of the 50 respondents, 55 percent of the respondent are influence by word of mouth, 25 percent of them by sales promotion, 12 percent are influence by the advertising and the rest 8 percent by the publicity that was made by the company.

The company's consumer survey is aimed at identifying the needs and wants and the changing pattern of the customers. This helps them in improving the car and its facilities according to customer choice.
Advertising Objective

A company can have an advertising objective as to inform, persuade, or remind. To inform as the advertising objective means telling the market about a new product, suggesting new uses for a product, informing the market about changes in price, policies, locations etc and explaining how the product works. The majority of Maruti advertisement falls in this category. The company uses advertising to inform the customer about the change in price, new authorise dealers and service stations, changes in certain policies affecting customers such as booking procedure, credit procedure, repairs and maintenance, announcing new schemes for customers such as credit schemes, special repairs and maintenance scheme, warranty, price cut (only for Maruti 1000 in January 1991 and slashed the prices of Maruti 800, Zen by about 24000 and 51000 respectively during December 1998) and gift on purchase. Inviting tender for dealership and service station, components, joint ventures, construction etc and explaining the vehicles working by showing its innovations and superior technology as Maruti recently introduce the superior 16 x 4 hypertech engines across the entire Maruti Suzuki range and other innovation has been the introduction of Electronic Power Steering (EPS) in selected models².
Persuasive advertising becomes important in the competitive stage where a company’s objective is to build selective demand for its product. Maruti has used persuasive advertising for Maruti 1000cc car, Omni, Zen Baleno and Gypsy. The advertising objective for Maruti 1000cc car, after increasing its engine capacity to 1300 cc and change its name to Maruti Esteem, the company projected the car as “Luxury Executive-Seden”. The advertising objective for Omni was to project the car as a spacious family versatile car, the Zen’s advertising campaign focused as an unbeatable combination of looks, space, performance and features. The Baleno’s advertising campaign focused to its style, power and luxury and the Gypsy’s advertising campaign-focused attention at the institutional segment, highlighting various features of the vehicles and its suitability for off-road usage. Besides the Maruti Udyog, the Maruti authorised dealers and service station also makes persuasive advertising. They make advertisements in the newspaper and magazine to attract customers to purchase Maruti car from them.

The reminder advertising aims to keep consumer thinking about the product. The market share of the van in the car market dropped from 23 percent in July 1987, to 19 percent in December 1987. At this point, a market research was conducted amongst the van owners and it
is clear from the research that position the van with a distinct image i.e. a spacious versatile car from Maruti with these factors in mind, the advertisement for Maruti Van were designed. The Van was now renamed as "Maruti Omni and the spaciousness" was highlighted in the advertisement from different angles\(^4\).

Initially, the advertisement released in press only, as it required a lot of detailing. This press campaign was followed by television advertisement to reinforce the potential consumer. The company’s dealers and service station also make advertisement to reinforce their image.

**Advertising Budget**

The Maruti Udyog Ltd fixes advertising budget, based on the objective and task to be completed. The table 6.1 shows the amount spent by the Maruti Udyog Ltd on advertising and publicity.
### Table: 6.1 Advertising budget of Maruti Udyog Ltd.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Spend (Rs. in Lakh)</th>
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<tbody>
<tr>
<td>1990-91</td>
<td>70</td>
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<td>1991-92</td>
<td>63</td>
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<td>2000-2001</td>
<td>261</td>
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<tr>
<td>2001-2002</td>
<td>230</td>
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</table>

**Sources:**

- *Auto India (Car magazine)*

During the year 1990-91 the company made extensive advertising to promote the sales of Maruti 1000, Omni and Gypsy. During 1993-94 and 1994-95 the company made extensive advertising for the Zen brand, which was introduce in 1993. During the financial year 1997-98 the market share of 83 percent with sales of 345,303 cars and for the period April 1998 to January 1999, Maruti Udyog’s car sales have dropped by 6.4 percent to 263681 as compared to 281,697.
cars for the corresponding period for financial year 1997-98, the company made an extensive promotional campaign to uplift the sales further. In August 1998, the company launched the diesel version for the Zen and in 1999 company had launched its Baleno in the luxury car segment and wagon R. in mid-size car segment and during 2000 the company launched Versa. During these years the company made extensive advertising to promote their new brand in the market.

Advertising Message

The Maruti Udyog Ltd. gives broad idea about the advertising to their respected advertising agencies. The advertising agencies asked for certain information relating to car, its feature, quality, price, design and prospective customers. Based on the broad idea and information the advertising agencies develop message to be given in the advertisements.

The company used print as a most effective advertising media and use full one page for advertisement in the magazines and full or half page in the for newspapers. The company advertisement in the newspapers and magazines included attractive headlines, attractive photo of the car, text mentioning, working and features of car, company's logo and with a combination of attractive colours. The earlier message in the advertisement for Maruti 1000cc car was based on the luxuriousness for the car. It used
emotional appeal in the advertisements. Some of the headlines and appeals used in the advertisement are:

"The thousand that's worth a thousand words because soon you'll realize she's quite a conversation piece,
I wish I could take her to, just once
And now a new conversation piece
Quite a conversation piece".

In some of the advertisement certain parts of the Maruti 1000 cc car were also shown. On the whole the company's advertisement was attractive. In the advertising campaign during 1991 the advertising theme was based on the financing and luxuriousness aspect. In recent years the company use rational appeal in which the messages are more product specific in nature and therefore focus on quality, economy, value or performance in the advertisements. Some of the headlines and appeal used in the advertisement are:

"The ability to thrill your senses
The ability to please your eyes
The ability to impress you and
The ability to help you appreciate".

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The company's advertisements for Maruti Esteem car on television were also based on the car's luxuriousness by showing the car from various angles.

The advertising campaign for Maruti 800 cc was based on the economical car that reflect to" The peoples car", the advertising message of the Maruti 800 cc in the newspapers and magazines reflect the economical car for the economical people. In the recent year the advertising message of the Maruti 800 cc car was based on the emotional appeal where the company strongly emphasis on, India's most loving car, is the country's largest selling car, its compact body, low operating cost, minimal maintenance and constantly updated technology. The new Maruti 800 cc car with 16 x 4 hypertech technology with greater pulling power, enhanced air-conditioning, stronger suspension, radial tyres and easier intra-city driving are the following feature that are highlighted in the recent advertising message in the newspapers and magazines.

The advertising campaign for Omni in the magazine and newspaper was based on space that it possesses. Some of the headlines and appeals used in the earlier advertisement are:

"An in-depth study of the most specious car on the road."

"Omni Travel in space."

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"A birds eye view of the most specious car on the road."

"A side long glance at the most specious car on the road."

In the recent advertising message of the Omni car was based on the emotional appeal where the company strongly emphasis on the fuel-efficient, low maintenance vehicle as it is India's most versatile automobile. The television advertisements for Omni were also based on the theme of speciousness and versatility of the car.

The advertising campaign for Gypsy was based on the toughness of the vehicle. It used emotional appeals where it reflect after having the Gypsy that care's you, on driving that pride's you and make fun and joy while driving it. Some of the headlines and appeals used in the advertisement are:

"Imagine long drives in wild, bumpy and treacherous conditions being described as comfy."

"Team Gypsy there is no stopping."

"Design for share frame construction"

"Solid steel frame contraction."

"Extra ordinary performance in the rough."

"The Suzuki engine computer designed for efficiency."

"Adventures unlimited."

"There is a Gypsy in every one."
The recent advertisement message of Gypsy on magazines, newspapers and television were based on the toughness of the vehicle.

The message in the advertisement for Wagon R car was based on the safety, convenience and comfort of the car. It used emotional appeal in the advertisements. The headings and appeal used in the advertisement as.

"It has more height and space than an ordinary car. It has power. It has convenience. It is comfortable. It has unmatched safety. And it is not really a car. It prefers to call it an MAV (Multi-Activity-Vehicle). You would too if you felt its interiors. It can accommodate just about everyone in the family with that entire luggage that had to be thought of twice before packing. It embraces the dirt road and the tarmac with equal case."

"Feel at home."

In some of the advertisement certain parts of the Wagon R. car were shown as it reflect the superiority of the engine, inspired comfort of the seats that recline fully comfortable like that of first-class airline, inspired safety by reflecting braking system, study suspension will roll control device, central locking on all door and child-proof rear doors. The advertisement for Wagon R on television was also based on these above mention emotional appeals.
The advertising campaign for Zen and Alto in magazines, newspapers and television was based on powerful and comfortable. Some of the advertisement messages of Zen and Alto are:

"Just add Zen to your life."

"Fun on the run."

The advertising campaign for Versa in magazines, newspapers and television are based on powerful, comfort and space. As in the advertisement Versa was reflected as it has flexi-seating option that accommodates up 8 people in complete comfort, a twin air-conditioner and double the luggage space. Some of the advertisement messages are:

"Versa is a car with endless possibilities."

"Versa is the perfect combination of both space and luxury."

"Versa it's two luxury cars. In one."

The advertising campaign for Maruti Baleno was based on the luxuries, performance, and style. It also used emotional appeal for its campaign. In its advertisement it mainly reflects that Baleno oozes luxury for every people. But that doesn't take away from its exhilarating performance and it, performance, the highest torque to its class. The advertising message used in the advertisement is:

Baleno: Sleek, Silent and Spritited.
The advertising campaign for Baleno Altura are based on luxury wagon with space, beauty and powerful. In it advertisement it reflect that Beleno Altura is India’s first luxury station wagon with breath taking beautiful, spacious, powerful and fast for people who enjoy zipping out of town. The advertising message is

"The Luxury Estate."\(^5\)

With the influx of so many international automobile companies have various influences on the Indian market. The competition has been successful in waking up the Indian companies and those, which have been taking the customer for granted for many years, have been forced to do, rethink on their policies and evolve a more customer-oriented marketing of their product. With so much competition, the Maruti Udyog had restructured its advertising message that presented in the print media. The company used full one page or half page for advertisement in the newspapers. The message in the advertisement used the emotional appeal. The recent headlines and appeals used in the newspapers as "3 times in a row." As this indicate as the Maruti Suzuki received the No. 1 nameplate in customer satisfaction in the J.D. Power Asia pacific study during 2000,2001 and 2002. The headline that used in the advertisement in the newspaper is "The competition has been shouting itself hoarse about being No. 1 unfortunately, customers believe other wise." As this indicate as the Maruti Suzuki receive No. 1 in the
customer satisfaction and it stood No. 1 in its sales, service, performance spares and range.

**Advertising Media**

Maruti use a combination of electronic, print and outdoor as the media to carry out the advertising message. The newspaper use by the company for advertising induces is; The Indian express, The Hindustan Times, The Times of India, The Nav Bharat Times. The company also use important magazines such as India Today, Outlook, Advertising and Marketing, Auto India, Over Drive and Business world for its advertising. However, the frequency and timings of advertisement was dependent on the objectives of the advertising campaign.

The company used big hoardings and banners in the either sides of the roads in the metropolitan cities. It also uses hoardings and banner on the walls of huge buildings at the Zebra crossing in the Metros. The company also uses television and radio for advertising its message. The recent development in the information technology the company introduced its web sites with the address http://www.marutiudyog.com, where the company give the information to the consumer about the product, range, price, delivering instruction system, service network system, dealers network system; it also get
free newsletter to the internet subscriber, where the customer download and empower with special deals, finding expert advice and more. The customer survey conducted to find out the mode and the presentation of the advertisement that attract them most which reveals the following observation that given in figure 6.3 (A) and figure 6.4(A) respectively.
Fig. 6.3 (A). Shows the advertising media that like the most. The observation reveals out of the 50 respondents, where 65 percent of which like the advertisements presented in the newspapers and magazines, 20 percent likes in television and radio, 5 percent of which like it on the Internet and the rest 10 percent likes the advertisements present in billboards, hoardings and broachers at dealers and service stations.
Fig. 6.4 (A) shows that the advertising presentation that attracts them the most. The observation reveals out of the 50 respondents, where 60 percent of which like the ad presented by the celebrities and models, 30 percent of the respondent attracts through the car feature that are highlighted and the rest 10 percent attract through the advertising or publicity made at exhibition.
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Publicity

Publicity had played a vital role in the success of Maruti. The company has used publicity tools, which included news, speeches, events, written material, audio-visual materials, corporate identity, ancillary advertising and public service activities. These are described below:

The company adopted six steps in developing an advertising campaign, which included target market, objectives, budget, message, media and measurement. On the whole, the advertising campaign was successful in accreting its objectives. However, the company needs to increase the frequency of advertisements, particularly on television.

- News: The significant news about the company has got favourable response on the media. Except few recent controversies between employee and management of the company. The recent disinvestments approved by Government in Maruti Udyog Ltd. as on 14.5.2002. Where the present right, the Suzuki holding in Maruti Udyog Ltd. to 54.2 percent, while the Government to 45.54 percent and the balance with the employee's mutual fund. The company on the whole has got a favourable coverage in the news on electronic as well as print media.
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- **Speeches:** The company's official deliver speeches for its employees and outside public as and when they get opportunities, for example on 8 Feb, 2002, an article consisting speeches on productivity in the Economic Times, by higher officials of various organisations was published in which, besides others the speech of Mr. Jaddish Khattar, Managing Director of the MUL also figured along with his photographs.

- **Events:** The Company has been successful in drawing attention to new models of car and other activities by arranging special events these includes, conferences, seminars, exhibitions and anniversaries. In the recent years Maruti Udyog Ltd designed series of events across the country to bring closer to all the Maruti Suzuki car owners of today and tomorrow, these event includes Mega pollution camps, used car meals and free AC check-up camps. Maruti Suzuki is the only car manufacturer in India that regularly organizes a series of such events across the country.

- **Written Material:** The Company has used certain written material such as annual reports, brochures, articles, company’s newsletters and magazines (In Hindi and in English) to reach and influence their target consumers market. The company’s annual report provides a brief account of the significant activities carried out by the company. The dealers provide broachers depicting the car’s strengths, working and specification to the

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prospective customers entering their show room. The company publishes a magazine called “Hindi Nama” for its employees as well as concerned persons. In the recent year the Maruti introduce “Maruti online news letter” where the Internet subscriber could subscribe these letters.

- **Audio-Visual material**: The Company has used audio and videocassettes to depict company’s significant activities. The name given to one of such cassette is “The future belongs to us”.

- **Corporate Identity programmer**: From the year 1987-88 a corporate identity campaign was launched by the company with the basic objective of ensuring an attractive and standard look of all Maruti dealers and service station, since than the company has been able to ensure attractive and standard look of its dealers and service station. Over the years, Maruti Udyog Ltd. built the widest service network in the country, with having 256 sales outlets in 157 cities and over 1800 service stations spread across 807 cities (as on 30th June, 2002). Besides this, Maruti Suzuki has the Express highway service, lining up service stations along every major highway. Maruti Suzuki has also set up a 24 hour Maruti On-Road Service (available in 41 cities as on 30th June, 2002) and it open all days of the week.

- **Ancillary Advertising**: Tyres, paints, seat covers, components and, spare parts manufacturers and financers, while advertising their product or services use Maruti cars. Beside this in almost all the
advertisement in which a car is to be shown, the advertisers use Maruti cars. This promotes the Maruti car in a big way and the advertisers use Maruti cars willingly without any payment from the Maruti Udyog Ltd.

- **Public Service Activities:** The Company is actively involved in a number of public service activities. Which include, development and relief work in drought affected villages, blood donation camps, educating employees about small family, construction of residential complex for its employees, promotion of Hindi, promotion of sports and recreation activities. Recently Maruti Udyog Ltd. has launch. The Institute of Driving Training and Research (IDTR) in New Delhi is making immense contribution to safe driving in the capital. Owing to its rigorous systems and practice, the city government relies increasingly on IDTR to train, test and certify drivers.

The company continued to promote safe and responsible behaviour on roads through traffic interceptors, safe-driving booklets for license seeker and traffic updates on radio (FM). To improve the betterment and skill of the children Maruti Udyog Ltd manage children’s park near India Gate in New Delhi. With an amphitheatre, science center, library, swings and slides, fountains and games. In its continuing commitment to the environment, company launched a
programme on greening the supply chain management to help suppliers and dealers to ensure environment friendly methods for operations. The company’s employees, dealers and vendors came together to support victims of the Gujarat earthquake.

The publicity tools used by the company leave been successful in getting a favourable response of the customers and market more effectively apart from other promotional tools used by the company.

Sales Promotions:

The company’s sales promotion efforts includes; warranty coverage, free trails, (started in Feb., 1992 for the first time for a limited period), free gift to customers (by the dealers at their own and on behalf of the company) certain allowances and reimbursement of expenses to the dealers conventions, contests, games and liberal loans.

Recently company has taken steps in the pre-owned car business under the brand name. “Maruti True Value”, providing fleet solution to corporate and in situations under the brand name “Maruti N2N”, offering the finance packages to consumers across the entire Maruti ranges, and also provides car insurance to the entire Maruti range.

To build relationship with the customers, Maruti Udyog recently sent out invitations to celebrities inviting them to test drive the “Baleno” at their convenience and at a place of their choice. Apart
from shows, events, carnivals Maruti Udyog are now providing value-added services, as it has started training the Chauffeurs of its owners.

**Export Promotion:**

The Maruti Udyog Ltd. promotes its car through participation in the exhibitions and Government-to-Government talks. The Suzuki Motor Corporation (SMC) refers Maruti’s name as and when it gets the opportunity. Maruti’s export department visits foreign countries in order to get orders, appoint distributors and find the opportunity for sale. The MUL’s collaboration with the Suzuki Motor Corporation makes it easier for the former to contact the prospective customer positively. The Suzuki’s Global Image helps the Maruti Udyog Ltd. in getting the export order. The Maruti Udyog Ltd. puts emphasis on the publicity for promoting its car. The Maruti distributors make the advertising at their own. However Maruti Udyog Ltd. does not make any advertisement. The Maruti distributor makes personal selling and other sales promotional activities.

In brief the MUL’s promotional mix consist of advertising, publicity, personal selling and sales promotion. The company’s advertising in handled by its marketing department and the advertising agencies. In developing an advertising campaign the company makes
decision about target market, objective, budget, message media and measurement.

The company's advertising objective for Maruti 800, Gypsy, Esteem, Omni and Beleno is to project them as economical, spacious, tough and luxurious cars. The criteria for preparing advertising budget are based on the objective and task method. The company used television, newspapers, magazines, hoarding and billboards as the media to carry out the advertising message. The company also makes personal selling and sales promotional tools to uplift the sales. Since last couple of years it has been noticed that in spite of the increasing sales the market share is shown the downward trend. Advertising, sales promotion have now become passes, they fail to even attract an audience as the consumer is purchasing their competitor's brand. This is the reason why companies are not just building products in isolation, but building products around the consumer after knowing them at their needs.

Reference:


3. Company released broachers.

5. Company released broachers.

6. www.jdpower.co.jp.


9. Ibid.