CHAPTER-3

PROFILE OF MARUTI SUZUKI INDIA LTD & HYUNDAI MOTORS INDIA LTD

This chapter consists of overview of Maruti Suzuki India Limited and Hyundai Motors India Limited with respect to Manufacturing facilities, Corporate Milestones, Sales and Service network with their few popular brands.

History & Milestone of Maruti Suzuki India Limited

Maruti Suzuki is one of the leading automobile manufacturing companies in India. It is the market leader in the automobile industry both in terms of production and revenue generation. The history of Maruti Suzuki is very fascinating.

In the year February 1981, Maruti Udyog Limited was incorporated under the provisions of the Indian companies act, 1956. The major objectives of Maruti Udyog were to modernize the Indian automobile industry, to produce fuel-efficient cars and mass number of vehicles.

The company was formed as a government company, with Suzuki as a minor partner, to make people’s car for middle class India. In October 2, 1982, the company signed the license and joint venture agreement with Suzuki Motor Corporation of Japan. In the year 1983, the company started their productions and launched Maruti 800. In the year 1983, the company launched its most awaited Maruti Omni and in 1985, the company launched Maruti Gypsy in the Indian Market.

The Gypsy was the first modern four-wheel drive vehicle in the Indian market. In June 1986, the company launched new model of Maruti 800.

In the year 1987, the company forayed into the foreign market by exporting first lot of 500 cars to Hungary. In the year 1990, the company launched India’s first three box car, sedan i.e Maruti 1000. In the year 1992, Suzuki Motor Corporation, Japan increased their stake in the company to 50 percent. In the year 1993, the company introduced the Maruti Zen and in 1994 the company launched Maruti Esteem in the market.

In the year 1995, the company commenced their second plant. In the year 1997, the company started Maruti Service Master as model workshop in India to look after sales
services. In the year 1999, the third plant with new press, paint and assembly shops became operational. With the growing demand of customers in the Indian automobile market the company launched Maruti Alto in 2000.\(^5\)

In the same year i.e in 2000, the company launched a call centre. This was the first time a car company had ever launched a call centre in India. In this year, Maruti set up a website for its Wagon-R car, introduced a new model of Zen, got the IRTE National award for its safety initiative, traffic management and environment protection, launched the Baleno and the Waon-R with electric power steering. Maruti introduced its first CNG (Compressed Natural Gas) car in 2001. In this same year, Maruti invested 550 crore rupees in Manufacturing cars. In the year 2002, Maruti launched Maruti Finance to offer financial services like extended warranty and finance for car insurance.\(^6\)

In the year 2002, Suzuki Motor Corporation increased their stake in the company to 54.2 percent. In the same year the company found new business segment i.e Maruti True Value for Sales, Purchase and trade of pre-owned cars in India. In the year 2005, the company launched the first world strategic model from Suzuki Motor Corporation ‘Swift’ in India. In the year 2006, the company launched Wagon R-Duo with LPG (Liqified Petroleum Gas) and also the new Zen Estilo with value added features in it.

During the year 2006-07, the company commenced operations in the new car plant and the diesel engine facility at Manesar, Haryana. In November 2006, the company inaugurated a new institute of Driving Training & Research (IDTR), which was set up as a collaborative project with Delhi government at Sarai Kale Khan in South Delhi.

During the year 2007-08, the company signed an agreement with the Adani group for exporting 2,00,000 units annually through the Mundra Port in Gujrat. The company launched Swift-Diesel and SX4 a luxury sedan with tag line ‘Men Are Back’ during the year. In July 2007, the company launched the new Grand Vitara, a stylish, muscular and five seater in the MUV (Multi Utility Vehicle) segment.

The company changed its name from Maruti Udyog Limited to Maruti Suzuki India Limited with effect from September 17, 2007. During the year 2007, the company entered into a joint venture agreement with Magneti Marelli Power train SPA and formed Magneti Marelli Power train India Pvt Ltd for manufacturing Electric control units. Maruti also entered into another joint venture agreement with Futuba Industrial
Co., Ltd. and formed FMI Automotive Components Ltd for manufacturing exhaust systems components.

During the year, the company made pact with Shriram City Union Finance Ltd, a part of Shriram Group, Chennai, to offer easy, transparent and hassle-free car finance to their customers, particularly in semi urban and rural markets. During the year 2008-09, the company launched a new A2 segment car, branded the A-Star in India & in Europe as the new Alto. In June 2008, the company launched Maruti 800 Duo, a dual fuel (LPG + Petrol) car. In April 2009, the company revealed new Ritz K 12 M engine at Gurgaon Plant.7

Maruti Suzuki launched its EECO and Alto K10 (K Series vehicle) in the year 2010. In the year 2011, Maruti Suzuki launched its luxury Sedan Kizashi and SX4 diesel model. In the month of March 2011 the company produced 10 million cars. Maruti Suzuki India Limited has launched its seven seater spacious & comfortable MPV Ertiga on 12 April 2012 to cater the needs of larger family size consumers.8

Very recently, the company has launched the all new Alto 800. The main targets of Alto 800 are customers considering the purchase of first cars like young customers i.e youths.9

Overview of Maruti Suzuki India Limited

Maruti Suzuki India Limited (MSIL, formerly known as Maruti Udyog Ltd) is a subsidiary of Suzuki Motor Corporation, Japan. Maruti Suzuki has been the leader of the Indian car market for over two and a half decades. It is largely credited for having brought in an automobile revolution to India.

Maruti Suzuki India Limited accounting for nearly 50 percent of the total industry sales. In terms of number of cars produced and sold, the company is the largest subsidiary of Suzuki Motor Corporation, cumulatively; the company has produced over 10 million vehicles since the roll out of its first vehicle on 14th December, 1983.

Maruti Suzuki is the only Indian company to have crossed the 10 million sales mark since its inception. The company has two manufacturing facilities located at Gurgaon and Manesar, south of New Delhi, India. Both the facilities have a combined capability to produce over a 1.5 million (1,500,000) vehicles annually.

The company employs over 9000 people (as on 31st March 2012). Maruti Suzuki’s sales and service network is the largest among car manufacturers in India. The company has been rated first in customer satisfaction in the JD Power survey for 12 consecutive years.

Over two and half decades, Maruti Suzuki has won the hearts of customers through high quality products and services.10

The company is engaged in the business of Manufacturing, Purchase and sale of motor vehicles and Spare parts. The other activities of the company includes facilitation of pre-owned car sales, fleet management and car financing.

The company has seven subsidiary companies, namely Maruti Insurance Business Agency Ltd, Maruti Insurance Distribution Services Ltd, Maruti Insurance Agency Solutions Ltd, Maruti Insurance Agency network Ltd, Maruti Insurance Agency Services Ltd, Maruti Insurance Agency Logistics Ltd and True Value Solutions Ltd.

The first six subsidiaries are engaged in the business of selling motor insurance policies to owners of Maruti Suzuki vehicles and seventh subsidiary, True Value Solutions Ltd is engaged in the business of sale of certified pre-owned cars under the brand ‘Maruti True Value’.11

Maruti Suzuki believes in the simple concept of “smaller, fewer, lighter, shorter and neater.” The work culture is unique where a common uniform and a common canteen for everyone from the Managing Director to the worker.12

Maruti Suzuki strongly believes on following core values-

- Customer Obsession
- Fast, Flexible & First Mover
- Innovation & Creativity
- Networking & Partnership
- Openness & Learning
The following table depicts various models of Maruti Suzuki, categorized on the basis of its segment.

**Table 3.1: Maruti’s Locally Manufactured Vehicles**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Model</th>
<th>Type / Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maruti 800</td>
<td>Mini</td>
</tr>
<tr>
<td>2</td>
<td>Alto 800</td>
<td>Mini</td>
</tr>
<tr>
<td>3</td>
<td>Alto K10</td>
<td>Compact</td>
</tr>
<tr>
<td>4</td>
<td>Omni</td>
<td>Vans</td>
</tr>
<tr>
<td>5</td>
<td>Gypsy</td>
<td>Utility Vehicle</td>
</tr>
<tr>
<td>6</td>
<td>Estilo</td>
<td>Compact</td>
</tr>
<tr>
<td>7</td>
<td>Wagon R</td>
<td>Mini</td>
</tr>
<tr>
<td>8</td>
<td>Eeco</td>
<td>Vans</td>
</tr>
<tr>
<td>9</td>
<td>A-Star</td>
<td>Mini</td>
</tr>
<tr>
<td>10</td>
<td>Ritz</td>
<td>Compact</td>
</tr>
<tr>
<td>11</td>
<td>Swift</td>
<td>Compact</td>
</tr>
<tr>
<td>12</td>
<td>SX4</td>
<td>Mid Size</td>
</tr>
<tr>
<td>13</td>
<td>Swift Dzire</td>
<td>Super Compact</td>
</tr>
<tr>
<td>14</td>
<td>Ertiga</td>
<td>Utility Vehicle</td>
</tr>
</tbody>
</table>

Source: Report by Maruti Suzuki India Limited (www.marutisuzuki.com)

The following table highlights the imported vehicles of Maruti Suzuki.

**Table 3.2: Maruti’s Imported Vehicles**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Model</th>
<th>Type/Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grand Vitara</td>
<td>Utility Vehicle</td>
</tr>
<tr>
<td>2</td>
<td>Kizashi</td>
<td>Passenger Executive</td>
</tr>
</tbody>
</table>

Source: Report by Maruti Suzuki India Limited (www.marutisuzuki.com)

Note- After year 2000-2001, the nomenclature of category/segment/sub segment in automobile sector has been changed and as per the report of Society of Indian Automobile Manufacturers, cars have been treated as Mini (A1), Compact (A2), Mid Size (A3), Executive (A4), Premium (A5) and Luxury (A6) under passenger vehicles. After year 2000, Van was treated as multipurpose vehicle. Presently it is
found that few automobile companies are not adhered to above segment & hence there might be little difference in categorization of vehicles.

Manufacturing Facilities of Maruti Suzuki

Maruti Suzuki has achieved its goal because of its unbelievable Manufacturing excellence. With an object to fulfill the demand of market, today Maruti Suzuki’s plants are comparable with the best in the world in terms of Quality, Productivity and Operational efficiency.

Maruti Suzuki has two state-of-the-art manufacturing facilities in India. Both manufacturing facilities have a combined production capacity of 12,50,000 vehicles annually.

- **Gurgaon Manufacturing Facility**

  The Gurgaon manufacturing plant is spread over 300 acres. This facility houses three fully integrated plants. Together the three plants churn out around nine lakh units annually. The recently launched Alto 800 is manufactured at this same plant. According to the statement of Mr. R.C. Bhargava (Chairman-MSIL), Maruti Suzuki India Limited finalized Rs.1700 crore investment for doubling the diesel engine capacity at Gurgaon Manufacturing Facility to 6,00,000 units by 2014. Of this, Rs.950 crore is being invested for the first phase of 1.5 lakhs diesel engines by mid-2013.

- **K Series Plant**

  The Gurgaon premises also having the K-Series engine plant. Commissioned in 2008, the K-Series engine plant has an installed capacity of over 7.7 lakh units per annum. Since inception of this plant, till date over 10 lakh K-Series engines have been rolled out. In this plant K-Series engines are available in 1 litre, 1.2 litre, and 1.4 litre capacities. Presently, Alto-K10, A-Star, Estilo, Wagon-R, Swift, Swift Dzire, Ritz and Ertiga are powered by the K-Series engines.

- **Manesar Manufacturing Facility**

  In February 2007, the 600 acre Manesar facility located around 25 Kms south of Gurgaon facility was inaugurated. This facility houses two fully integrated plants with a capacity of 5.5 lakh units annually. Both manufacturing facilities are highly
automated with advanced robotics, contemporary paint, weld and machining infrastructure. This plant produces the SX4 vehicles.

- **Suzuki Power train**

Suzuki Power train India limited is a joint venture of Maruti Suzuki with Suzuki Motor Corporation, Japan at Manesar. This plant manufactures world class diesel engines and transmissions for cars. Suzuki Power train India Limited (SPIL) supplies about 3,00,000 diesel engines a year to Maruti, while petrol engines are made in-house. Currently, Maruti has a 30 percent stake in SPIL, while the rest lies with Japanese parent Suzuki Motor Corporation (SMC).

Maruti Suzuki’s Manesar Power train plant can be seen as follows.

**Picture 1: Suzuki Power Train plant at Manesar**

![Picture of Suzuki Power Train plant at Manesar](Source: www.thehindubusinessline.com)

**Services offered by Maruti Suzuki India Limited**

- **Sales and Service Network (Stations)**

Maruti Suzuki’s Sales and Service network is the largest among car manufacturers in India. The company had 802 sales outlets in 555 cities and 2740 service workshops in 1335 cities as on 31 March 2010. The service network of the company includes Dealer Workshops, Maruti Authorized Service Stations (MASSs), Maruti Service Masters (MSM) and Maruti Service Zones (MSZ). In FY 2011-12, Maruti Suzuki had opened its 1000th Sales outlet, another landmark
achieved. The company with over 2950 service outlets reaches its customers across 1400 cities.

The following chart clearly depicts the wide network of Maruti Suzuki.

**Chart 3.1: Maruti Suzuki’s Network Details**

![Maruti Suzuki’s Network 2011-12](image)

Source: Report by Maruti Suzuki India Limited (2012)

The above pie chart depicts that Maruti Suzuki’s total sales outlet in year 2011-12 was 1100 whereas 801 cities were covered through its sales network. It was also observed that there 1653 authorized service stations in year 2011-12 whereas the total number of true value outlets in year 2011-12 was 409.

As far as service network is concerned, Maruti Suzuki has also given assurance to the families travelling on the highway as there is a service workshop at a distance of every 30 kilometers on most high density highways in India. Besides the helpline number is also provided by company.

- **Maruti Insurance**

Maruti launched Insurance service in the year 2002. Maruti provides vehicle insurance to its customers with the help of the National Insurance Company, Bajaj Allianz, New India Assurance and Royal Sundaram. This service was set up by the company with the inception of two subsidiaries Maruti Insurance Distributors Services Pvt Ltd and Maruti Insurance Brokers Pvt Limited.17
• **Maruti Finance**

With an intention to promote the bottom line growth, Maruti launched Maruti Finance in January 2002. Maruti had started two joint ventures Citicorp Maruti and Maruti Countrywide with City Group and GE countrywide respectively to assist its client in securing loan.

For this, Maruti tied up with ABN Amro bank, HDFC bank, ICICI Bank, Kotak Mahindra, Standard Chartered bank and Sundaram Finance to start this venture including its strategic partners in car finance. In March 2003, Maruti entered into a strategic partnership with State Bank of India. ¹⁸

• **Maruti True Value**

With an intention to not only generate incomes for dealers but to also promote sale of new Maruti cars by offering to buy old cars at reasonable prices and selling a new car in exchange, Maruti Suzuki launched a subsidiary, True Value. ¹⁹

Under True Value, the seller has the option to be paid in cash/cheque, or get a True Value car in exchange or a brand new Maruti Suzuki car in exchange. As a mark of confidence, and to promote reassurance to customers, every vehicle bought under Maruti True Value is inspected and certified by Maruti Engineers and the car carries a one year warranty and three free services. ²⁰

• **Maruti Driving School**

Accidents and Road Safety has always been a key concern area for both the government and people on the road. With an objective to improve road safety and inculcate safe and systematic driving habits among people, Maruti Suzuki has opened Maruti Driving Training School (MDS). These driving schools are equipped with Practical Training and Attitude Training. World class driving simulators are used to give a hands-on feel to learners before taking the vehicles on the road. Having started in Bangalore in March 2005, Maruti Driving School has spread its network throughout the country in collaboration with the dealers; the company has set up over 200 Maruti Driving Schools across the country. ²¹

One distinguishing feature of Maruti Driving School is lady instructor for training females. According to the statement by Mr.R.C.Bhargava (Chairman-Maruti
Modernization of automobile industry was incomplete unless people learnt to drive safely on the road. 

- **Institute of Driving & Traffic Research (IDTR)**

Maruti Suzuki introduced world class driving training facilities to India by launching Institute of Driving & Traffic Research. These include a specially formulated multilingual theory curriculum, scientifically laid-out driving tracks and advanced driving simulators that replicate Indian driving conditions. The first IDTR was set up at Loni (on the outskirts of Delhi), in 2000 in collaboration with the Delhi government. In 2010-11, the IDTR was set up at Gujrat, in collaboration with the Tribal Development Department of Gujrat. The intention of this initiative was to develop the driving skills of tribal youth. The IDTR is presently exist at Haryana (two IDTR, each at Rohtak and Bahadurgarh), two in New Delhi (Loni and Sarai Kale Khan), one in Gujrat (Vadodara), one in Uttarakhand (Dehradun).

- **National Road Safety Mission**

National Road Safety Mission is the flagship Road Safety initiative introduced by the company in December 2008. Under this initiatives, the company took a commitment of training over 5,00,000 people in safe driving practice in a span of 3 years. The main objective of this initiative was to make them employable in driving profession.

- **N2N Fleet Management**

N2N is the short form of End to End Fleet management which provides lease and fleet management solution to corporate. The list of clients who have signed up this service includes Reckitt Benckiser, Sona Steering, Gas Authority of India Ltd (GAIL), Dupont, Doordarshan, Singer-India, Transword etc.

This service includes end to end solutions across the vehicle’s life, which includes Leasing, Maintenance, Convenience services and Remarketing.

**Awards/Recognition won by Maruti Suzuki**

Because of outstanding performance and continuous innovations, Maruti Suzuki got various awards and achievement as follows:

- Business Standard India’s company of the year 2011 award
• Ranked amongst the top 10 most admired companies by Wall Street Journal
• 11th time in a row, the Company ranked highest in JD Power Asia Pacific 2010 India Customer Service Index (CSI) study
• NASSCOM and CNBC TV 18 IT user award
• Ranked highest in JD Power Sales Satisfaction Index (SSI)
• Ranked one in JD Power initial quality study 2010 for model-Dzire
• CNBC-TV18 award 2011 for Manufacturer of the year.
• Corporate campaign ‘Kitna Deti Hai’ rated amongst the best campaigns of the year 2010 by CNBC-TV18’s program on advertising & marketing
• NHRDN (National HRD Network) Trailblazer Award 2010 for HRD Excellence
• Maruti’s Alto ranked no.1 in TNS four wheeler Total Customer Satisfaction (TCS) study.

Recent Popular Brands of Maruti Suzuki India Limited

Today, Maruti Suzuki has rolled out lot of successful models to serve each and every section of society which includes Maruti 800, Alto, Wagon-R, Swift, Swift Dzire. Recently Maruti Suzuki has launched few models in Indian Market, which has always been the centre of attraction.

• Maruti Alto 800

On 16 October 2012, Maruti Suzuki has launched its most awaited car Maruti Alto 800. Before launching this Alto 800, the company had bagged 6000 pre launch bookings for this upgraded model. The company has invested around Rs.470 crore, and 200 engineers from Suzuki Motor Corporation and Maruti Suzuki were jointly involved in the development of the Alto 800 for over four years. The petrol Alto 800 ranges between Rs.2,44,000 – Rs.2,99,000. The CNG variant of Alto 800 has been priced between Rs.3,19,000 – Rs.3,56,000 with a fuel efficiency of 30.46 km per kilogram. The new Alto 800 has been designed for entry level customers.

The special features of new Alto 800 are-
- Wave front Design
- Fresh & Spacious Interiors
- Best in class Mileage
- Easy drive and handling
Safer drive.27

• Maruti Wagon R

The Maruti Suzuki Wagon R is a made for India version of Suzuki Wagon R. The Wagon R was launched in December 1999 and has since undergone three upgrades one in 2003, another in 2006 and in 2010.

Wagon R has been the third largest selling vehicle from the portfolio of Maruti Suzuki which is a good thing in small package. Recently the company has launched the new Wagon-R powered by the company’s well known K Series engine. New Wagon R equipped with an advanced security system called iCATs, which prevents vehicle theft. New Wagon R is available in CNG and LPG versions with BS-IV norms. The car ranges between Rs.4,26,000- Rs.4,42,000. Very soon the company is going to launch diesel version of Wagon-R which costs around Rs.5,50,000.28

• Maruti Swift

Swift is one of the largest selling vehicle of Maruti Suzuki. Swift was launched in 2005 and has made a massive success in the Indian market. In the last six years Maruti sold 6 lakh Swift cars and presently there is 3-4 months waiting period for this car. Recently Maruti Suzuki has launched the new Swift which has same 1.2 litre K-series petrol and 1.3 litre CRDI diesel engines. The new Swift is much lighter than old one & the company has raised the fuel efficiency of new Swift by 6 percent in diesel and 4 percent in the petrol. The new Swift is having 140 new features. This Swift is wider, longer and up to 30 kg lighter than old Swift. The company along with its suppliers has invested around Rs.550 crore in developing new Swift. The Swift ranges between Rs.5,50,000 – 5,80,000.29

• Maruti Suzuki Ertiga

Maruti Suzuki India Limited has launched its most awaited UV (Utility Vehicle) in the Indian automobile market on Thursday i.e 12 April 2012 at an introductory price range of Rs.5.89 lakhs to 8.45 lakhs (ex-showroom Delhi). Ertiga is available in Petrol and Diesel version. The company has introduced Ertiga with K-14 VVT 1.4 litre petrol engine. Due to its powerful engine, style, performance, and comfortness, Maruti Suzuki termed it as LUV (Life Utility Vehicles). The
A company has invested Rs.400 crore to develop the Ertiga. This vehicle is available in six versions.\textsuperscript{30}

According to Mr. Shinzo Nakanishi (Managing Director, Maruti Suzuki), "Ertiga is meant for a compact car customer wishing to upgrade to a bigger car".\textsuperscript{31}

- **A-Star**

A-Star is the one of the renowned feather in the crown of Maruti Suzuki launched in the year 2008. The A-Star has powered by the latest state-of-the-art, light weight 998 cc K10 B petrol engine. A-Star is the best in class fuel efficient car with a mileage of 19 kilometer. A-Star is priced in between Rs 3,90,000 - Rs.4,80,000 & available in 5 different variants i.e LXI, VXI, AT, ZXI, ZXI (Opt) with various safety features like Dual airbags, ABS with EBD, Immobilizer, Child proof rear door locks, Head light leveling, High mount stop lamp etc.

A-Star is the first product of Maruti Suzuki which is loaded with KB series engine in India which meets new emission norms in India as well as Euro 4 & Euro 5. A-Star is one of the rare hatchback models in Maruti Suzuki which is a great hit in Europe where it was designed. As far as target customer is concern, A-Star is marketed keeping in view the youth of India.\textsuperscript{32}

**Hyundai Motor Company**

Hyundai Motor Company is a Korean automaker headquartered in Seoul, South Korea. Hyundai Motor Company was founded by Chung-Ju-Yung in 1947, as Hyundai Engineering and Construction Company. The company was later established as Hyundai Motor Company (HMC) in 1967.\textsuperscript{33}

In year 1968, Hyundai’s first model Cortina was released in cooperation with Ford motor company. Hyundai released its first Korean car Pony in 1975, with styling by Giorgio of ItalDesign and Power train technology provided by Japan’s Mitsubishi Motors. In year 1983, Hyundai exported the Pony to Canada & in year 1986, Hyundai began to sell cars in the United States. In the year 1988, the company began to produce models of Sonata with its own technology. In 1996, Hyundai Motors India Limited was established with a production plant in Irrungattukotai near Chennai, India. In the year 2004, Hyundai was ranked second in “initial quality” in a survey by J.D.Power & Associates.
Hyundai has invested in manufacturing plants in the India, North America, Czech Republic, Turkey, Pakistan and China.

Headquartered in Seoul, South Korea, Hyundai operates the world’s largest integrated automobile manufacturing facility in Ulsan, which is capable of producing 1.6 million units annually. In year 2004, Hyundai Motor Company had $57.2 billion in sales in South Korea. In the year 2005, Hyundai’s worldwide sales reached to 2,533,695 units i.e an 11 percent increase over the previous year.

In year 2007, Hyundai’s worldwide total vehicle sales reached 3,961,629 units-surpassing Nissan, Chrysler, Peugeot, Fiat and Honda. In year 2008, Hyundai ranked as the eighth largest automaker. In year 2010, Hyundai sold over 1.7 million vehicles worldwide.

Hyundai has nine production plants all over the world which includes: The Ulsan plant, the Asan plant, the Jeonju plant, the America Alabama plant, the China plant, the Indian plant, the Turkey plant, the Brazil plant & the Russia plant.

Presently Hyundai vehicles are sold in 193 countries through 6000 dealerships and showrooms worldwide. Hyundai has 6 Research & Development centers worldwide, located in Korea (three offices), Germany, Japan and India.

As a part of new corporate philosophy, the Hyundai Motors have defined five core values as follows:

- Customer
- Challenge
- Collaboration
- People
- Globality

**History of Hyundai Motors India Limited**

Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company which was formed in 6 May 1996 near Chennai. During the entry of Hyundai in 1996, there were few major automobile manufacturers in India, i.e Maruti Udyog Limited, Hindustan Motors, Daewoo Motors, Mahindra & Mahindra, Tata Motors etc.
For more than a decade till Hyundai arrived, Maruti Suzuki had a complete dominance and monopoly over the Passenger car segment because TELCO and Mahindra and Mahindra were solely Utility & commercial vehicle manufacturers.

Hyundai Motor India Limited’s first car, the Hyundai Santro was launched in 23 September 1998 and was a runaway success. Within a few months of its inception Hyundai Motor India Limited became the second largest automobile manufacturer and the largest automobile exporter in India.\(^{34}\)

Hyundai Motors India Limited launched Accent in year 1999 & Santro Zip Drive in the year 2000. In the year 2002, the company launched upgraded version of Accent i.e Accent CRDi. Considering the need and demand of vehicles, Hyundai upgraded its variants with adding some innovative features in it for e.g in year 2003, Hyundai Motors launched Santro Xing. In year 2004, company launched Accent Viva CRDi, In year 2005 company launched Sonata Embera & in 2007, the company launch Sonata CRDi vehicle in Indian Market.

In 2008, Hyundai Motors India Limited completed 10 glorious years of operations in India. In the year 2010, the company exported 2,47,102 cars to 110 countries. The exported car includes Santro, i10, i20 and Accent.

The following table highlights various brands of Hyundai Motors.

**Table 3.3: Brands of Hyundai Motors**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Model</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eon</td>
<td>A2</td>
</tr>
<tr>
<td>2</td>
<td>Santro Xing</td>
<td>A2</td>
</tr>
<tr>
<td>3</td>
<td>i 10</td>
<td>A2</td>
</tr>
<tr>
<td>4</td>
<td>i 20</td>
<td>A2</td>
</tr>
<tr>
<td>5</td>
<td>Accent</td>
<td>A3</td>
</tr>
<tr>
<td>6</td>
<td>Fluidic Verna</td>
<td>A3</td>
</tr>
<tr>
<td>7</td>
<td>Neo Fluidic Elantra</td>
<td>A5</td>
</tr>
<tr>
<td>8</td>
<td>New Sonata</td>
<td>A5</td>
</tr>
<tr>
<td>9</td>
<td>Santa Fe</td>
<td>SUV (Sports Utility Vehicle)</td>
</tr>
</tbody>
</table>

Source: Report by Hyundai Motors India Limited retrieved from www.hyundai.com
Overview & Milestone of Hyundai Motors India Limited

Hyundai Motor India Limited is the largest passenger car exporter and the second largest car manufacturer in India. The popular brands of Hyundai in A2 segment include Eon, Santro, i10, i20. The A3 segment consists of Accent & Verna, the A5 segment consist of Sonata and Santa Fe in the SUV segment.

Hyundai Motor India Limited’s fully integrated state-of-the-art manufacturing plant near Chennai boasts of the most advanced Production, Quality and Testing capabilities in the country. To cater to rising demand, Hyundai Motor India Limited commissioned its second plant in February 2008, having an installed capacity of 3,30,000 units per annum. Hyundai has two manufacturing plants in India located at Sripereumbudur of Tamil Nadu. Both plants have a combined annual capacity of 6,00,000 units per annum. With an intention to support its growth and expansion plans Hyundai Motor India Limited currently has 346 dealers and around 800 service points across India.

As far as Export is concerned, Hyundai touched 1.5 million in exports in 2012. The company currently exports to more than 120 countries across Africa, Middle East, Latin America and the Asia Pacific.

Research & Development Centre

Hyundai Motor India Engineering (HMIE), is a fully owned subsidiary of Hyundai Motor Company, South Korea, which has set up the Research & Development centre in Hyderabad. This centre is Hyundai’s fourth overseas R&D centre. This R&D centre is spread across 2,00,000 square foot facility with an investment of Rs.184 crore.\textsuperscript{35}

According to Hyundai officials the new R&D centre in Hyderabad will support all back-end operations like computer aided engineering (CAE), computer aided design (CAD) and help the R&D work taking place across Hyundai’s car line-up. This R&D centre will help in developing vehicles which includes their styling, design engineering and vehicle test and evaluation. Hyundai Motor Company’s other overseas R&D centers are located in the United States, Germany, Japan & Korea.
Corporate Milestones

- 06 May 1996- Hyundai Motor India Limited incorporated.
- 23 Sept 1998- Hyundai Santro makes its world debut in India.
- 31 March 1999- Hyundai Motors India Limited emerges as the India’s second largest automobile manufacturer.
- 14 October 1999- Launch of Hyundai Accent.
- 27 April 2000- 1,00,000 th car rolls out from the Chennai plant.
- 08 May 2000- Launch of Santro Zip Drive.
- 12 June 2000- Hyundai Santro crosses 1,00,000 car sales.
- 26 June 2002- Hyundai Motor India Limited rolls out 3,00,000 th car.
- 16 August 2002- Launch of Accent Viva.
- 10 October 2002- Launch of Accent CRDi.
- 23 October 2002- Launch of Sonata 2.7 V6.
- 13 March 2003- Hyundai Motor India Limited commences exports to Latin America.
- 22 May 2003- Launch of Santro Xing.
- 06 April 2005- Launch of SUV Tucson.
- 08 June 2005- Launch of three new variants of Santro Xing with eRLX technology.
- 17 Aug 2005- Launch of Sonata Embera.
- 18 Oct 2005- Hyundai Motors India exported its 2,00,000 th car to the overseas market.
- 09 Feb 2006- Hyundai Motor India announced plant capacity expansion, production to be enhanced by 6,00,000 units by 2007.
- 13 March 2006- Hyundai Motor India Limited rolled out the fastest 10,00,000 th car.
• 12 Jan 2007- Launch of Sonata CRDi.
• 02 April 2007- Launch of Getz Prime
• 19 April 2007- Launch of Verna CRDi SX
• 27 June 2007- Launch of Sonata CRDi Automatic
• 04 July 2007- Launch of Santro CNG
• September 2007- Launch of Getz CRDi
• 31 October 2007- Launch of i10
• 02 Feb 2008- Inauguration of 2nd plant in Chennai
• 27 March 2008- Export of 5,00,000th car.
• 15 July 2008- i10 Kappa launched
• 30 Sept 2008- Launch of dual fuel Santro-Eco
• 29 December 2008- Launch of premium hatchback i20 in India.
• 15 Jan 2009- Launch of all new Sonata Transform
• 09 Feb 2009- Launch of new Verna (first Diesel automatic)
• 06 Jan 2010- Hyundai Motor India Limited unveils the i10 electric at the 10th Autoexpo.
• 23 June 2010- Launch of Verna Transform
• 04 August 2010- Production & Sales of 30 lakhs cars
• 23 Sept 2010- Launch of all new Next Gen i10.
• 13 Oct 2010- Launch of SUV Santa Fe
• 11 May 2011- Launch of New Fluidic Verna
• 13 Oct 2011- Launch of Hyundai Eon
• 05 Jan 2012- The all new Sonata launched at the New Delhi Auto Expo 2012.
• 28 March 2012- Launch of i-Gen i20.36

Awards/Recognition won by Hyundai Motors India Limited

Because of continuous innovations the company bagged several awards & achievements as follows:

• In the year 2002, the Santro got the JD Power Asia Pacific Appeal award for customer satisfaction
• In 2002, Hyundai got manufacturer of the year award from CNBC TV 18.
• In 2003, Hyundai was awarded as ‘Car maker of the year award’, from ICICI
Bank-overdrive awards
• In 2005, Hyundai Getz awarded as CNBC Autocar ‘car of the year’
• In 2005, Hyundai Elantra awarded as Best value for Money car of the year by
CNBC TV 18.
• Hyundai Motor India received Engineering Export Promotion Council (EEPC),
‘Top Exporter of the Year’ award in the year 2005-06.
• In year 2006, Hyundai’s Tucson awarded as ‘SUV of the year’ by NDTV Profit
/Car & Bike awards.
• In year 2007, Hyundai Verna 1.5 CRDi awarded as ‘Performance car of the year’
by BS Motoring.
• In 2008, Hyundai’s i20 awarded as ‘Family-Hatch of the year 2008’ at the Top
gear Auto awards. In the same year i10 was awarded as ‘i10’ Indian “Car of the
car year” award, “Car of the year” award by CNBC TV 18, “Car of the year” award
by BS Motoring & again “Car of the year” award by Overdrive.
• Hyundai i20 awarded ‘Five Star Rating’ for safety by European New Car
Assessment Programme (NCAP) in year 2009.
• Hyundai i10 awarded as ‘Small Family Favorite Car Award’ by
Carwale.com in year 2010.
• In the year 2011, Hyundai’s Santa Fe awarded ‘SUV of the year’ by
Car India awards 2011.
• In the year 2012, Hyundai Verna awarded as ‘Sedan of the year 2011’ Golden
Steering Award. In the same year Eon gets the ‘Entry-Level Hatchback of The
Year’ at ET Zigwheels Awards 2011.37

Recent Popular Brands of Hyundai Motors India Limited

Hyundai Motors India Limited has variety of vehicles in every segment. With an
intention to fulfill the demand of customers Hyundai Motors has continuously
upgrading their vehicles with lot of innovations in it. Hyundai vehicles are popular
in Indian market for their latest technology & innovations.

The following are some popular brand of Hyundai Motors in Indian automobile
market.
• **Hyundai Santro Xing**

Presently the Indian automobile market is flooding with small cars. The small car segment is the most competitive car segment in India. Santro is the most successful brand of Hyundai Motors. Santro was launched in the year 1998 & then it has undergone a number of upgrades in styling and technology to respond to consumer preferences.

In the year 2000, Hyundai Motors upgraded Santro as Santro Zip Drive, later the company launched Santro’s new version Santro Xing in 2003. Initially the company positioned Santro as the complete family car but later i.e at the end of 2002, company repositioned Santro Zip Plus as the “The Sunshine Car”. In 2005, Hyundai Motors had launched Santro Xing with eRLX technology and in 2007 the company has launched Santro CNG.

Considering the demand of customers & due to hike in Petrol price the company launched dual fuel Santro Eco. In the year 2002, Santro received the JD Power Asia Pacific “Appeal award for customer satisfaction” & India’s most dependable Compact Car. Presently the ‘Santro Xing’ is available in various versions like Non AC, GL Plus & GLS with a price range in between Rs.3,01,557 to Rs.4,30,000.

Santro Xing is equipped with latest Safety & Security features like Child Safety rear door locks, Dual Side Impact Beams, Energy Absorbing Steering Column etc.

• **Hyundai i 10**

The i10 is Hyundai’s most popular premium hatchback car launched in India in 2007. After the huge success of Hyundai Santro the company produced i10 in India at Hyundai’s Chennai plant for the domestic and export markets. On 15 July 2008, the company launched i10 Kappa (1.2 Litre engine). The i10 is specially known for its Quality, Safety and Smoothness. In India, the i10 is equipped with 1.1 L, IRDE petrol engine with manual transmission gearbox & 1.2 L Kappa engine. The i10 is available in different variants like D-Lite, Era, Magna, Era (LPG), Magna (LPG), Sportz GLS, Sportz Option, Sportz AT GLS, Asta GLS, Asta AT WS GLS etc.

The i10 is a fuel efficient car of Hyundai Motors ranged between Rs.3,70,000-Rs.6,30,000.
Apart from being the best looking car on roads, Hyundai’s all new Next Gen i10 is having lot of safety features like reverse parking sensors, dual airbags and ABS, Seatbelt Pretensioners, Central Locking, Keyless entry with Burglar alarm.39

- **Hyundai Eon**

Hyundai Eon is a five door hatchback subcompact produced by the Hyundai Motors India Limited. The car has been launched in India, with advance bookings opening on 1 Oct 2011. Hyundai has launched the Eon on 13 Oct 2011 to compete against the Maruti Suzuki Alto.40

Hyundai’s Eon symbolizes the future and represents Style, Space, Comfort, Mileage and Quality. Eon has been specifically developed for the Indian market, at an introductory price of between Rs.2.69 lakh and Rs.3.71 lakh. According to Mr.H.W.Park (Managing Director & CEO, Hyundai Motors India Limited), Eon has been specifically built keeping in mind the varied Indian conditions and special requirements of the customers. Hyundai Motors India Limited has invested Rs.900 crore on the development and production facilities for the Eon.41

Eon has various variants in the market which consists of Eon with LPG, Eon D-Lite +, Eon Era +, Eon Magna + with air conditioning and power steering in all models, Eon D-Lite & Eon Sportz.42

The base D-Lite variant having without basics like air conditioning or power steering, whereas the top Sportz model is equipped with a CD player with USB and Aux capability, front power windows, Key less entry and steering tilt adjust.43

- **Hyundai Verna**

Hyundai Verna is the most luxurious sedan car in the basket of Hyundai Motors India Limited. In a very short span of time Verna fascinated the Indian automobile market. The Hyundai Verna (Petrol and Diesel) has launched by Hyundai Motors India Limited in year 2006. On 19 April 2007, the company launched Hyundai Verna CRDi SX model with added features. Hyundai launched another model of Verna- Verna Transform on 23 June 2010 and the company launched New Fluidic Verna on 11 May 2011 with extensive and innovative features in it.

In the year 2012, Hyundai Verna was awarded as ‘Sedan of the year 2011’-Golden Steering Award. According to Mr.H.W.Park (MD & CEO-Hyundai
Motors India Ltd), the Verna has been a trendsetter since it was first launched in 2006. The fluidic Verna has many unique features like Cluster ionizer which improves the quality of air inside the cabin by producing ion-plasma that traps bacteria and other impurities and comes into operation automatically as the AC is switched on.

The new Verna is equipped with 6 airbags for occupant protection as a passive safety feature while the EBD (Electronic Brake Force distribution and ABS (Anti Lock Braking Systems) provide the much needed active safety systems to help the driver control the car properly.

The new Verna is also having a rear parking camera with display on the inside rear view mirror which helps in ensuring safe and easy parking of the car. The another safety feature of Verna includes Impact sensing Auto door unlock, Clutch lock system, Immobilizer, Speed sensing Auto Door Lock.44

The new Verna is available in various variants like 1.4 VTVT, 1.4 CRDi, 1.4 Ex CRDi, 1.6 Ex VTVT, 1.6 Ex CRDi VGT, 1.6 SX VTVT, 1.6 Sx CRDi VGT, 1.6 SX (O) VTVT and 1.6 Sx (O) CRDi VGT with price ranges in between Rs.1,27,373 to Rs.1,61,3250.45

- **Neo Fluidic Elantra**

Hyundai Motors India Limited on Monday 12 August 2012 launched its executive car neo Fluidic Elantra in India. Elantra has been awarded as”2012 North American Car of the Year” at the Detroit Auto Show. The neo Fluidic Elantra is available in two engine options- 1.8 L Petrol Dual VTVT engine delivering 149.5PS@6500rpm of maximum power and 18.1Kgm@4700 rpm of peak torque and the 1.6 L Diesel VGT CRDi engine delivering 128PS@4000rpm of maximum power and 26.5Kgm@1900-2750 rpm of peak torque.

The petrol Elantra is available in 3 variants and its price starts from Rs.12,51,000. The Diesel Elantra is available in 4 variants and its prices starts from Rs.12,91,000.46

The fifth generation Fluidic Elantra having some smart features like front ventilated seats, rear parking camera, advanced safety features like vehicle stability management (VSM), silica tyre and solar glass. Elantra sports having some innovative features like smart key with push button start, 10 way adjustable
power driver seat with lumbar support, auto cruise control, Dual Zone FATC, Automatic headlight control etc.47

According to Mr.B.S.Seo, Managing Director & CEO, Hyundai Motors India Limited, the Elantra has received an overwhelming response worldwide. And Elantra will set a new benchmark in the executive car segment in India.48

On the basis of above discussion a few observations are summarized as under-

1. It was observed that, Maruti Suzuki India Ltd is the leader in passenger cars and multipurpose vehicles in India, accounting for nearly 50 percent of the total industry sales. It is the only Indian company who crossed the 10 million sales mark since its inception because of its better after sales services & world class technologically upgraded vehicles.

2. It was noticed that, considering the demand of growing middle class population, Maruti Suzuki launched its popular model Maruti 800. Maruti Suzuki introduced its Omni to target businessman and large families, Alto and A-Star for young generation whereas Wagon R for families who aspire more space.

3. It was revealed that, Maruti Suzuki’s Research & Development has shown tremendous potential with its contribution to the Swift, A-Star & Dzire etc. Presently Swift is the most successful brand of Maruti Suzuki because of its technology and the appeal of a very cool and smooth brand.

4. It was disclosed that, Maruti Suzuki’s Sales and Service network is the largest network among car manufacturers in India. With an object to provide the quick and better service, in 2011-12, Maruti opened its 1000th sales outlet and 2950th service outlet across 1400 cities.

5. It was found that, Hyundai Motors India Ltd is the largest passenger car exporter and the second largest car manufacturer in India. The company presently offers eight models to cater the demand of all types of customers. Santro is the most successful brand of Hyundai Motors which was initially positioned as the complete family car but later repositioned as the sunshine car. Considering the customer demand and continuous hike in petrol prices, Hyundai later launched Santro Eco-a dual fuel car.

6. It was revealed that, to target the youths, Hyundai Motor launched its most popular premium hatchback car i.e i10 with lot of innovative features & to
compete with Maruti Suzuki’s Alto and to attract the first time buyers, Hyundai launched its hatchback subcompact Eon with value added features. Verna and Neo fluidic Elantra are popular luxurious sedan cars of Hyundai Motors which grabbed the Indian automobile market due to its extensive and world class innovative features.

7. It was noticed that, to provide better after sales service to the customers, Hyundai Motors has set up strong 900 service centers & 400 dealerships in each and every corner of India.

Select References-


136


37. ibid

38. ibid


41. Hyundai launches Eon, starting at Rs.2.69 lakh. (2011, October 13). Deccan Herald, New Delhi.


