CHAPTER 1

INTRODUCTION
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1.1. INTRODUCTION

In this introduction chapter the researcher has taken brief review of the profile development performance of the auto industry in general and the Passenger cars sector in particular.

1.1.1. Indian Automobile Industry

Automobile industry is a symbol of technical marvel by human kind. Being one of the fastest growing sectors in the world its dynamic growth phases are explained by nature of competition, product life cycle and consumer demand. Today, the global automobile industry is concerned with consumer demands for styling, safety, and comfort; and with labor relations and manufacturing efficiency. The industry is at the crossroads with global mergers and relocation of production centers to emerging developing economies.

Due to its deep forward and backward linkages with several key segments of the economy, the automobile industry is having a strong multiplier effect on the growth of a country and hence is capable of being the driver of economic growth. It plays a major catalytic role in developing transport sector in one hand and help industrial sector on the other to grow faster and thereby generate a significant employment opportunities. Also as many countries are opening the land border for trade and developing international road links, the contribution of automobile sector in increasing exports and imports will be significantly high. As automobile industry is becoming more and more standardized, the level of competition is increasing and production base of most of auto-giant companies are being shifted from the developed countries to developing countries to take the advantage of low cost of production. Thus, many developing countries are making serious efforts to grab these opportunities which include many Asian countries such as Thailand, China, India and Indonesia.
The rising competition and increasing global trade are the major factors in improving the global distribution system and has forced many auto-giants such as General Motors, Ford, Toyota, Honda, Volkswagen, and Daimler Chrysler, to shift their production bases in different developing countries which help them operate efficiently in a globally competitive marketplace. During the second half of the 1990’s, the globalization of the automotive industry has greatly accelerated due to the construction of important overseas facilities and establishment of mergers between giant multinational automobile manufacturers. Over the years, it is being observed that Asia is emerging as a global automotive hub. Exports of automobiles including components from Asia are also increasing by leaps and bounds. Asia has become the major consumer as well as supplier of automobiles.

At this juncture, the study makes an attempt to evaluate the growth pattern, changes in ownership structures, trade pattern, role of government and so on. in automobile sector of selected Asian countries (viz. China, India, Indonesia and Thailand). The objective of the study is to understand the dynamics of Indian automobile sector in comparison to the same sector in other selected Asian countries. Thailand is a major auto exporting country from Asia. The sector is mainly driven by Japanese FDI (Foreign Direct Investment). Chinese automobile sector is growing very fast and is poised to make its dent in the international trade arena very soon with its strong position in component sector. India, on the other hand is consolidating its position with strong domestic and external demand. The Indonesian automotive industry is essentially an assembly industry, dominated by the major Japanese car manufacturers is also coming up in post-liberalization period and increasing its exports. Japan and Korea already have developed automobile industry and their reputation. Hence, comparison with these two countries may not be worthwhile. Selected four are developing countries and making an effort to develop the automobile sector through different paths.
India is an emerging market for worldwide auto-giants. Due to low cost of labor many multinational companies are investing in India. Its automotive industry has grown very rapidly from the middle of 1990’s. Recently, there are two big investments expected to boost the sector further, one is from Maruti and the other is from Honda Siel. Tata’s proposed investment to manufacture cheap car is also expected to boost the industry.

India is the second most populated country in the World, and the growth rate of Indian economy is very high, which indicates the presence of huge demand in different industrial sectors. Automobile industry is not the exception in this regard. Indian automobile sector has huge demands from its own country. This demand also attracts the giant automobile suppliers throughout the world to come and invest in the Indian automotive industry.

Due to the contribution of many different factors like sales incentives, introduction of new models as well as variants coupled with easy availability of low cost finance with comfortable repayment options, demand and sales of automobiles are rising continuously. Government has also contributed in this growth by liberalizing the norms for foreign investment and import of technology and that appears to have benefited the automobile sector. The Production of total vehicles increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. It is likely that the production of such vehicles will exceed 10 million in the next few years.

The increase in the exports of automobile sector is also due to the adaptation of international standards. After a temporary slump during 1998-99 and 1999-00, such exports registered robust growth rates in last few years. Investment is also a major factor for this growth of Indian automotive industry, with investment exceeding US$ 11.11 billion, the turnover of the automobile industry exceeded US$ 13.22 billion in 2002-03.

The turnover has increased to US$ 18.5 billion by the end of 2004-05. Recently in 2006, Maruti invested US$ 0.67 billion and Honda invested US$ 0.2 billion on small cars. It is
expected that by the year 2016, the turnover of the Indian automobile sector could grow to $145 billion. Today, this sector has emerged as a sunrise sector. However, the overcapacity problem is haunting many of the players as demand may not go up significantly. Hence, many players are looking for an external market for Indian automobiles. The prospect of component industry is quite positive. The leading local firms have established over 200 technical cooperation agreements with foreign firms to be able to reach international standards in cost and manufacturing.

India is the world's second fastest growing auto market and boasts of the sixth largest automobile industry after China, the US, Germany, Japan and Brazil. India's car market is evolving at a great pace. A car is not only a utility, but also represents aspirations and image of its owner. Hence, auto giants across the globe are leaving no stone unturned to attract Indian consumers by offering luxury, value, utility and convenience in their products.

1.1.2. Market Dynamics

Indian domestic passenger vehicle market is increasingly getting dominated by smaller cars. For the quarter ended December 2011, Maruti Suzuki India Ltd held a share of 34.3 per cent in domestic passenger vehicle pie while Hyundai India enjoyed 15.8 per cent of it. Tata Motors (standalone operations) and Mahindra & Mahindra (M&M) had a market share of 14.6 per cent and 12 per cent respectively during the reported period.

1.1.3. Key Statistics

- The Society of Indian Automobile Manufacturers (SIAM) anticipates 11-13 per cent growth in car sales during 2012-13.
- The overall Indian automobile sector recorded a growth of 14.25 per cent (16.9 million units from 14.8 million units in 2010) in 2011. Passenger car sales increased by 4.24 per cent to 1.946 million units (from 1.867 million units in 2010), two-
wheeler sales by 16.22 per cent to 13 million units and three-wheeler sales by 4.74 per cent to 525,000 units.

- For 2011-12, passenger cars sales are expected to grow at 0-2 per cent, two-wheelers at 13-15 per cent and commercial vehicles at 18-20 percent.
- The cumulative production for April-December 2011 registered a growth of 14.94 per cent over same period in 2010. Production in December 2011 increased by 10.91 per cent year-on-year (Y-o-Y).
- Overall automobile exports registered a growth rate of 28.97 per cent during April-December 2011. Passenger Vehicles registered grew 18.14 per cent in this period while two-wheelers, commercial vehicles and three wheelers segments recorded growth of 29.75 per cent, 24.66 per cent and 42.63 per cent respectively.

1.1.4. Major Developments and Investments

Ford Motor Co's Indian subsidiary has placed an order with its Indian counterpart - major constructor Kajima Corp's subsidiary – to develop an auto factory in the city of Sanand in Gujarat. With an estimated outlay of 77 billion yen (US$ 1 billion), the facility is expected to get completed by 2014 with an initial annual capacity of 240,000 units.

Bajaj Auto – India's second largest automaker – has made a debut in four-wheeler segment by launching a low-cost, eco-friendly automobile - RE60. The four wheeler vehicle has three-wheeler customers as its target market and is available in three fuel variants (petrol, CNG and LNG). The company sees Sri Lanka and Africa as potential export markets for RE60.

Indian auto major Mahindra & Mahindra is looking to develop enough infrastructures to run electric cars in India. The first company to commission solar power projects under the Jawaharlal Nehru National Solar Mission (JNNSM), Mahindra & Mahindra is on a look-out
for solar powered charging stations to fuel electric cars. The company offers electric cars under the Mahindra-Reva brand.

Luxury car maker Mercedes Benz AG's Indian subsidiary Mercedes Benz India Ltd (MBIL) has set itself an ambitious target to sell over 70,000 cars in the Indian market by 2020; aiming for 1000 per cent growth in the next 9-10 years and hence leading the luxury car segment. The company will launch its A Class concept in India in 2013 and has already invested Rs 700 crore (US$ 135.85 million) in a new assembly plant in India.

With an intention to take on Maruti Suzuki India Ltd's largest-selling Alto hatchback, Nissan Motor Pvt Ltd is planning for a small car for Indian markets. The company is studying the market currently and would come up with a crisp plan in 2-3 years.

Indian automaker Maruti Suzuki unveiled its XA Alpha concept sports utility vehicle (SUV) while Hyundai showcased its new Sonata and its concept multi-purpose vehicle Hexa Space. German automobile major Volkswagen launched new versions of its SUV Touareg and its small car Beetle along with its concept hybrid car XL 1. Japanese auto giant Nissan Motor Company showcased its seven-seater car, the Evalia along with its zero-emission electric car Leaf, the Nissan GTR and the Compact Sports Concept.

Similarly, other auto makers like Mercedes-Benz, M&M, BMW and Ford unveiled their new products. In the two-wheeler space, Suzuki Motorcycles, Yamaha India unveiled their offerings while Royal Enfield and Harley Davidson made their bike launches.

Thus, it can be reasonably stated that major auto makers - Indian as well as foreign – are making all the efforts to please Indian auto enthusiasts and Auto Expo is a perfect platform for them where they can reach out to masses in the most effective way.
The Government of India is in the process of forming a National Automotive Board (NAB) which would become a formal set-up to look into the issue of recall of vehicles and hence improve manufacturing standards. The prospective body, to oversee technical and safety aspects of vehicles, will have representatives from all the nodal ministries and automotive bodies such as the Automotive Research Association of India (ARAI).

The Government of Gujarat has always been on a high to promote its industrial space especially its the automobile sector. In order to boost the State Government's efforts in this regard, Gujarat Government's Industrial Extension Bureau, along with Automotive Components Manufacturers Association, French Vehicles Equipment Industries (FIEV) and French auto-major Peugeot, are planning to set up vendor park near Sanand (Gujarat's auto hub) in Ahmedabad district.

India would become the third largest auto industry by volumes after China and the US by 2015. Three-fold increase in investments by auto makers would boost car production capacity from 4.8 million units in 2010 to 12 million in 2018.

After international acquisitions, homegrown auto majors Mahindra & Mahindra (M&M) and Tata Motors are increasingly focusing on developing global products and mulling setting up assembly facilities abroad to scale up international business over the next three to five years.

While Tata Motors is exploring setting up a base for assembling commercial vehicles (CV) in the Asean region, M&M is assessing potential for assembling automobiles in Africa and Southeast Asia.

The annual market size for utility vehicles in key Asean economies is estimated at 700,000 units, while that of tractors stand at 55,000 units annually. The Southeast Asian base is
likely to offer products ranging from M&M's utility vehicles, Ssangyong SUVs and Mahindra tractors, along with products from Chinese tractor joint ventures Jiangling & Yeuda Tractors.

Mahindra & Mahindra exports its products to 37 countries. It is looking at entering new markets in Australia and Latin America with sports utility vehicle (SUV) XUV500 in the course of the year. It is eyeing 15 per cent market share in the tractors segment in US and China (from the current 7 and 10 per cent, respectively) over the next three years.

Tata Motors, too, which recently set up assembly operations for large commercial vehicles in Myanmar, is exploring another base for CV assembly in the Asean region. The company has assembly plants for commercial vehicles in South Africa, Bangladesh, Thailand, and Myanmar. Between April and December, M&M exported 21,000 vehicles (growth of 65 per cent) and 9,000 tractors (growth of 16 per cent).

Tata Motors, on the other hand, registered a growth of 16 per cent in exports of commercial vehicles at 39,221 units. German auto major Mercedes Benz plans to invest Rs 350 crore by 2014 in its plant in Chakan near Pune and roll out about five compact premium cars in India over the next two years to regain its numero uno position from BMW.

The Stuttgart-based company Daimler AG &Mercedes Benz will also introduce 10 new models in India, quickly after their global launches by 2015 as India is an important growth market which has high demand for their A and B Class segments. Company plans to enlarge dealer network and ramp up production capacities, The company has so far invested Rs 650 crore in India . The additional investment will take the figure to Rs 1,000 crores.The company may introduce A Class, B Class, a new SUV, a small coupe and one more product, which could be assembled at its plant in Chakan . The company also plans to set up a new
in-house paint shop and two more assembly lines here. With the entry of more compact models, Mercedes Benz may double its sales in India to up to 20,000 in the next couple of years, said officials. Mercedes Benz India sold 7,089 cars in 2011, a growth of 22.7%.

Daimler AG posted its best ever annual results in 2011 with net profit of over 6.0 billion and group revenues worth 106.5 billion. As part of its Vision 2020, Daimler aims to be the largest premium car-maker in the world with India and China being at the core of its future strategy.

German luxury car maker Mercedes-Benz, facing competitive heat in India from compatriots BMW and Volkswagen. It is looking at investing Rs 1,000 crore to enhance capacity and increase sales here 10-fold by the decade’s end.

Mercedes-Benz India Ltd (MBIL) wants to grow its sales over three-fold to 25,000 units by 2016 and to 90,000 units by the end of the decade. To this effect, it is looking at introducing two volume-driving models in the Indian market every year. While the B Class hatchback has come at the end of 2012, the A Class compact car would follow in 2013.

Mercedes currently has no product below the C Class, priced between Rs 26 lakh and Rs 33 lakh (ex-showroom, Delhi), which has hobbled the company. BMW has filled the void by offering the X1, a compact SUV, offered upwards of Rs 22.5 lakh (ex-showroom, Delhi). VW’s Audi has not disclosed pricing details of the Q3 SUV but it is expected to be around Rs 24 lakh. Last year, till November, BMW sold 2,344 units of the X1, accounting for around 30 per cent of its overall sales. The three SUVs that Benz has to offer in India are priced at Rs 50-75 lakh, a leviathan compared to the X1. Audi is hoping to address the X1 segment with the Q3.
After 15 years of being the undisputed king of the luxury auto business in India, Mercedes Benz was dethroned by archrival BMW in March 2010. BMW edged out Mercedes again last year by posting sales of 9,371 cars versus Benz’s 7,430. It zoomed past its rival after just five years of entering the Indian market. Audi, the premium car maker from the VW fold, the latest to enter the luxury car market in India, has declared its intention to topple Benz over the next two years. Audi sold 5,511 units in 2011.

Around 21,000 luxury vehicles were sold here in 2011 and it is expected to increase 10-fold to 200,000 units over the next 10 years. Mercedes says it intends take 35 per cent of the market by the end of the decade.

India is unique that it holds great promise for both ends of the market—the small car and the luxury sedans. Consequently, luxury car makers are gearing up to entice both kinds of consumers. While the BMW I-Series is expected to hit Indian roads, Audi has commenced a study to introduce the A3 sedan in India.

Tata Consultancy Services (TCS) said it has signed a multi-year, multi-million euro contract with Europcar, a car rental company in Europe. The European company's IT subsidiary Europcar Information Services has selected TCS to manage IT services development for its French operations, said a statement from the Indian company. Tata Consultancy Services did not specify the exact size of the deal. For Tata Consultancy Services, this strengthens its presence in France and marks expansion of its travel, transportation and hospitality industry unit, said the statement. This unit has over 4,000 consultants and works with over 50 customers worldwide.
Tata Consultancy Services said it provides services to over 20 French companies, a majority of which are part of the CAC 40 Index [1]. Its stock gained by over 2 per cent on the Bombay Stock Exchange (BSE).

Italian carmaker Fiat and Japan's Suzuki Motor Corporation have inked an agreement to supply 1 lakh diesel engines to Maruti Suzuki India, which will help the country's largest carmaker to manufacture more engines, and thereby prune the rapidly growing waiting list.

The two auto giants agreed to supply Fiat's 1.3 litre-multijet engine - licensed by Fiat India Automobile, which is a joint venture between Fiat and Tata Motors - to Suzuki's Indian arm, Maruti Suzuki India. The JV Company will supply up to 100,000 engines annually to Maruti for a period of three years. The production of multijet 1.3 litre engines for Maruti Suzuki has began at Fiat India Auto's Ranjangaon plant in Pune, and supplies will resume at the earliest. The supply of these engines got stuck on pricing issues.

This development will bring a relief to Maruti, which has over 1, 10,000 customers waiting in the queue to take delivery of its largest selling car, Swift. The company is gearing up to increase production at the Manesar plant to deliver more diesel cars.

Maruti Suzuki expects, Swift to definitely get preferential treatment, and will cross 20,000 units of Swift in a month. With the new Swift Dzire in the pipeline, additional supply of engines would be of immense help to reach customers faster.

[1] The CAC 40 is a benchmark French stock market index. The index represents a capitalization-weighted measure of the 40 most significant values among the 100 highest market caps on the Paris Bourse (now Euronext Paris).
Suzuki Power train - a subsidiary of Maruti Suzuki - started producing 5,000 more units a month, and the extra 8,000 engines from Fiat's Ranjangaon plant would mean, there will be additional 13,000 more diesel engines at the disposal of Maruti Suzuki, which would help the carmaker clear some of its backlog.

**Table No. 1.01**

Table Showing Gross Turnover of the Automobile Industry in India

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<thead>
<tr>
<th>Year</th>
<th>Turnover In USD Million</th>
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<tr>
<td>2004-05</td>
<td>20,896</td>
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<td>2005-06</td>
<td>27,011</td>
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<td>2007-08</td>
<td>36,612</td>
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<td>2008-09</td>
<td>38,238</td>
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Conversion Rate Rs. 40 = 1 USD

**Source:** SIAM India

**Graph No. 1.01**

Graph Showing Gross Turnover of the Automobile Industry in India

**Source:** SIAM India
Table No. 1.02
Table Showing Domestic Market Share for 2010-11

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<thead>
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<th>Type of Vehicles</th>
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<td>Passenger Vehicles</td>
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<tr>
<td>Commercial Vehicles</td>
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<td>Three Wheelers</td>
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<td>Two Wheelers</td>
<td>76.00</td>
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Source: SIAM India

Diagram No. 1.01
Diagram Showing Domestic Market Share for 2010-11

Source: SIAM India
**Table No. 1.03**  
Table Showing Automobile Production Trends

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<thead>
<tr>
<th>Category</th>
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<tr>
<td><strong>Passenger Vehicles</strong></td>
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<td><strong>Commercial Vehicles</strong></td>
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<td><strong>Three Wheelers</strong></td>
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<td><strong>Two Wheelers</strong></td>
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<td><strong>Grand Total</strong></td>
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Source: SIAM India

**Table No. 1.04**  
Table Showing Automobile Domestic Sales Trends

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<tr>
<td><strong>Passenger Vehicles</strong></td>
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<td><strong>Commercial Vehicles</strong></td>
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<td><strong>Three Wheelers</strong></td>
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<td><strong>Two Wheelers</strong></td>
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<td><strong>Grand Total</strong></td>
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Source: SIAM India
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<tbody>
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<td>Passenger Vehicles</td>
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<td>175,572</td>
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<td>Commercial Vehicles</td>
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<td>Three Wheelers</td>
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<td>148,066</td>
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<td>Two Wheelers</td>
<td>366,407</td>
<td>513,169</td>
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<td>819,713</td>
<td>1,004,174</td>
<td>1,140,058</td>
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<tr>
<td>Grand Total</td>
<td>629,544</td>
<td>806,222</td>
<td>1,011,529</td>
<td>1,238,333</td>
<td>1,530,594</td>
<td>1,804,426</td>
<td>2,339,333</td>
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**Source:** SIAM India

**Graph No. 1.02**

Graph showing Car Production in India (1994-2011)

**Source:** ACMA (Automotive Component Manufacturers Association of India)
A Nation's economy is well known from its transport system. For instant and rapid growth in economy, a well-developed and well-networked transportation system is essential. As India's transport network is developing at a fast pace, Indian Automobile Industry is growing too. The Automobile industry has strong backward and forward linkages hence it provides employment to a large section of the population. The role of Automobile Industry is very essential in Indian economy. Various types of vehicles are manufactured by the
Automobile Industry. Indian Automobile Industry includes the manufacturing of trucks, buses, passenger cars, defense vehicles, two-wheelers and so on. The industry can be broadly segmented into the Car manufacturing, two-wheeler manufacturing and heavy vehicle manufacturing units.

The Indian Automobile Market growth is expected to grow at a CAGR (Compounded Annual Growth Rate) of 9.5 percent amounting to Rs. 13,008 million by 2010 which is big in number. The Commercial Vehicle Segment has been contributing to the automobile market to a great extent so as it is the passenger luxury cars as on date.

The Indian auto industry has the potential to emerge as one of the largest in the world. Presently, India has the Second largest two wheeler market in the world. India stands fourth in the commercial vehicle market, and 11th in the passenger car in the world.

Many foreign companies such as Mercedes, Suzuki, Chevrolet, Honda, Mitsubishi, Toyota, and Hyundai have been investing in the Indian Automobile Market in various ways by way of technology transfers, joint ventures, strategic alliances, exports, and financial collaborations. For instance Maruti joined hands with Suzuki in the passenger cars, Mahindra with Renault, Hero joint ventures Honda in two wheeler segment, Ashkhoa with Leyland in commercial vehicle segment. The auto market in India boasts of attractive finance schemes, increasing purchasing power, and launch of their latest vehicles. Investments in the automobile industry by the foreign companies in India help in strengthening the India’s economy. Indian giant automotive manufacturing company TATA MOTORS has the largest share in the commercial vehicle. They have recently acquired the Jaguar and Range Rover globally, there by capturing the international market too. TATA MOTORS also are exporting their vehicles abroad. Total sales of the major car manufacturers in India, registered a figure of 0.674 million units at the end of March, 2007.
The number of cars exported was 39,295 units as on branch 2007. General Motors, Maruti, and Honda accounted for 60 percent of the market sales at the end of March, 2007. Due to the increase in per capita income there has been an increase in the purchase of motorcycles and cars both in the rural as well as in the urban areas India.

The automobile industry crossed a landmark with total vehicle production of 10 million units. Car sales was 8,82,094 units against 8,20,179 units in 2004-05. The domestic automobile industry sales grew 12.8 per cent at 89,10,224 units as against 78,97,629 units in 2004-05. According to the Society of Indian Automobile Manufacturers (SIAM), car sales was 8,82,094 units against 8,20,179 units in 2004-05. The growth of domestic passenger car market was 7.5 per cent. Car exports stood at 1,70,193 units against 1,60,670 units in 2004-05. Commercial vehicles segment grew at 10.1 per cent with 3,50,683 units against 3,18,430 units in 2004-05.

Maruti Suzuki India formally known as Maruti Udyog Ltd (MUL) has virtually dominated the Indian automotive market in the passenger segments since the 1980s. As the automotive manufacturing sector rapidly evolved through the dynamics of open market and deregulation, many new joint ventures (both technical and financial) were formed between local players with leading global manufacturers. In 1982, MUL, then a wholly government-owned company, signed up a collaboration agreement with Suzuki of Japan to establish the volume production of contemporary models.

1.2. PASSENGER CARS OR FOUR WHEELER DEALERS IN INDIA
In the context of fastest growing Indian automobile market, the role of the four wheelers in achieving this impressive growth cannot be ignored. All the leading players such as Maruti Suzuki, Tata Motors, Hyundai, Honda, Ford, and Chevrolet have continuously been working for enhancing their product value and customer care facilities through their
dealership network. The dealers play a very important role in sales promotion of the company’s vehicles. The Four-wheeler manufacturing companies offer dealership to a selected few, based on certain parameters such as sound financial background, availability of space in prime locations and a decent understanding of the automobile business. Dealers act as a link between the company and their potential buyers. A dealer provides a detailed insight of the vehicles, its brands range of options, financing and any other relevant information asked by the potential customers. The dealers are expected to help and encourage the customers in identifying the best possible vehicle that would meet their needs and how best they could be acquired. A dealer in proper consultation with their manufacturers can start various promotional programs like 0% finance, exchange offers and so on.

1.2.1. The Major Car Manufacturers of India

1. Maruti Suzuki India Ltd.
2. Tata Motors
3. Hyundai Motor India Ltd
4. Ford Motors
5. Honda India
6. Mahindra & Mahindra
7. Toyota India
8. Skoda Auto India
9. Volkswagen
10. General Motors
11. Mercedes India
12. Hindustan Motors Limited (HML)
13. Audi India
14. BMW India
15. Fiat India
16. Nissan Motors
17. Porsche

1.3. PROFILE OF CAR MANUFACTURERS

1.3.1. MARUTI SUZUKI INDIA LTD. (Formally Known as Maruti Udyog Limited)

It is MARUTI that has revolutionized the landscape of car manufacturing in India. The company that started off with its lone plant at Gurgaon (Haryana) in the early 1980s for the manufacturing of a "small family car" Maruti 800 in technical collaboration with Suzuki of Japan, has come up with models like Maruti Omni, Alto, Esteem, Baleno, Swift and scores of their respective variants. In addition to this, the Indian car manufacturers on account of their high productivity and low production costs have enhanced their technical expertise and gradually made their presence noticed in the global markets. Indian car manufacturers have scaled up their production of cars and a Substantial number of them are being exported to countries worldwide.

Maruti Suzuki is one of India's leading automobile manufacturers and the market leader in the car segment, both in terms of volume of vehicles sold and revenue earned. Until recently, 18.28% of the company was owned by the Indian government, and 54.2% by Suzuki of Japan. The Indian government held an initial public offering of 25% of the company in June 2003. As of 10 May 2007, Govt. of India sold its complete share to Indian financial institutions. With this, Govt. of India, no longer has stake in Maruti Udyog.

Maruti Udyog Limited (MUL) was established in February 1981. The actual production commenced in 1983 with the Maruti 800, based on the Suzuki Alto kei car, which at the
time was the only modern car available in India, its' only competitors - the Hindustan Ambassador and Premier Padmini were both around 25 years out of date at that point. Through 2004, Maruti has produced over 5 Million vehicles. Maruties are sold in India and various several other countries, depending upon export orders. Models similar to Maruties (but not manufactured by Maruti Udyog) are sold by Suzuki and manufactured in Pakistan and other South Asian countries.

The company annually exports more than 50,000 cars and has an extremely large domestic market in India selling over 730,000 cars annually. Maruti 800, till 2004, was the India's largest selling compact car ever since it was launched in 1983. More than a million units of this car have been sold worldwide so far. Currently, Maruti Alto tops the sales charts and Maruti Swift is the largest selling in A2 segment.

Due to the large number of Maruti 800s sold in the Indian market, the term "Maruti" is commonly used to refer to this compact car model. Till recently the term "Maruti", in popular Indian culture, was associated to the Maruti 800 model.

Maruti Suzuki India Limited, a subsidiary of Suzuki Motor Corporation of Japan, has been the leader of the Indian car market for over two decades. Its manufacturing facilities are located at Gurgaon and Manesar south of New Delhi. Maruti’s Gurgaon facility has an installed capacity of 350,000 units per annum. The Manesar facilities, launched in February 2007 comprise a vehicle assembly plant with a capacity of 100,000 units per year and a Diesel Engine plant with an annual capacity of 100,000 engines and transmissions. Manesar and Gurgaon facilities have a combined capability to produce over 700,000 units annually.

During 2007-08, Maruti Suzuki sold 764,842 cars, of which 53,024 were exported. In all, over six million Maruti cars are on Indian roads since the first car was rolled out on 14 December 1983.
Maruti Suzuki offers 15 models, Maruti 800, Omni, Esteem, Baleno, Alto, Versa, Ritz, Gypsy, A Star, Wagon R, Zen Estilo, Swift, Swift Dzire, SX4, and Grand Vitara. Swift, Swift Dzire, A Star, and SX4 are manufactured in Manesar, Grand Vitara is imported from Japan as a completely built unit (CBU), remaining all models are manufactured in Maruti Suzuki's Gurgaon Plant.

Maruti Suzuki has launched Ertiga in 2012 which is a seven seater MPV R3 designed and developed in India. It will compete with Toyota Innova, Mahindra Xylo, and Tata Sumo Grande. In early 2012, Suzuki Ertiga will be exported first to Indonesia in Completely Knock Down car.

Suzuki Motor Corporation, the parent company, is a global leader in mini and compact cars for three decades. Suzuki’s technical superiority lies in its ability to pack power and performance into a compact, lightweight engine that is clean and fuel efficient.

Maruti is clearly an “employer of choice” for automotive engineers and young managers from across the country. Nearly 75,000 people are employed directly by Maruti and its partners.

The company vouches for customer satisfaction. For its sincere efforts it has been rated (by customers) first in customer satisfaction amongst all car makers in India for the last ten years in a row, in an annual survey done by J D Power Asia Pacific.

Maruti Suzuki was born as a government company, with Suzuki as a minor partner to make a people's car for middle class India. Over the years, the product range has widened, ownership has changed hands and the customer has evolved. What remains unchanged, then and now, is Maruti’s mission to motorize India.
1.3.2 TATA MOTORS

Tata Motors (Previously known as Tata Engineering and Locomotive Co.) is the youngest passenger car company in the world. It was established in the year 1945. Initially, they were into the manufacturing of trains. However, Tata motor is solely responsible for showcasing India's automotive industry to the rest of the world. It did so by designing and developing its own indigenous cars and thus placing India on the world automobile map. Tata Motors much like its parent company (Tata Group) has farfetched vision and always thrives for excellence. It was established with a vision of becoming a global car manufacturer from India. Today, it has indeed achieved the feat of becoming a significant global player in the automobile industry.

It has a wide range of automobiles varying from commercial vehicles to passenger vehicles to multi-utility vehicle and so on. Tata Motors is very committed to issues like Corporate Social Responsibility, Human Rights, Labor, and Environmental Standards. They are partners to the United Nations Global Compact. Tata Motors is India's largest automobile company and the sixth biggest commercial vehicle manufacturer in the world. In the year 2004, it became the first Indian Engineering Company to be listed in the New York Stock Exchange.

The company had earned revenue of Rs 24,000 crores for the financial year 2005-06. Hence, making its' presence felt on the Indian roads on a regular basis. Since, 1954 (when the first Tata vehicle was launched) till today, over 3.5 million Tata vehicles ply on the Indian roads.

Today, Tata is a global player having markets in Europe, Africa, South Asia, South East Asia, Middle East and Australia. This leap in the global market started from 1961. Once, the export division was established.
Tata Motors initially started by manufacturing trucks by collaborating with Daimler Benz of Germany from 1954 till 1969. At that point of time, the trucks that were manufactured were known as Tata Mercedes-Benz Trucks. However, after the collaboration period was over, the trucks were then called Tata Trucks.

But it was just the beginning. Later, in the early 90's they entered the passenger vehicle segment by launching the Tata Sierra, (India's first sports vehicle) and the Tata Estate. However, the biggest achievement came later in 1998, when Tata developed the first indigenously developed small car of India called the Tata Indica. And then Tata Indigo was launched in 2002. The name "Indica" came from the words "India's Car". Tata Cars became the name to reckon with since then. And very soon Tata Indica became the most popular car in this segment. Then, later in 2005 they launched India's first indigenously developed Mini-Truck called the Tata Ace.

Recently, in order to fulfill its global dream, Tata Motors has acquired the Daewoo Commercial Vehicles Company, Korea's second largest truck manufacturer, in the year 2004. In 2005, they acquired 21% stake in Hispano Carrocera, a Spanish bus and coach manufacturer. They have manufacturing plants in Jamshedpur, Pune and Lucknow. They also have assembly operations in Malaysia, Kenya, Bangladesh, Spain, Ukraine, Russia and Senegal.

The success story of Tata Motors can be based on the facts that they have excellent foresight, they understand the needs and the wants of their customers very well. They have a well organized and efficient R&D department and that they have high aims and standards which are fulfilled but not at the cost of quality and efficiency.
**Jaguar Land Rover:** Jaguar Land Rover PLC is a British premium automaker headquartered in Whitley, Coventry, United Kingdom and has been a wholly owned subsidiary of Tata Motors since June 2008, when it was acquired from Ford Motor Company. Its principal activity is the development, manufacture and sale of Jaguar luxury and sports cars and Land Rover premium four wheel drive vehicles. It also owns the currently dormant Daimler, Lanchester and Rover brands.

Tata Motors is among the top four in passenger vehicles in India with products in the compact, midsize car and utility vehicle segments. The company’s manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Dharwad (Karnataka) and Sanand (Gujarat). Tata's dealership, sales, service and spare parts network comprises over 3,500 touch points.

Tata also has franchisee/joint venture assembly operations in Kenya, Bangladesh, Ukraine, Russia and Senegal. Tata has dealerships in 26 countries across 4 continents. Though Tata is present in many countries it has only managed to create a large consumer base in the Indian Subcontinent, namely India, Bangladesh, Bhutan, Sri Lanka and Nepal. Tata has a growing consumer base in Italy, Spain and South Africa.

Tata Motors has more than 250 dealerships in more than 195 cities across 27 states and 4 Union Territories of India. It has the 3rd largest Sales and Service Network after Maruti Suzuki and Hyundai.

Today Tata is a household name. Tata cars are seen running on the roads. Tata cars showrooms and car dealership are easily available in the market.
1.3.3. HYUNDAI MOTOR INDIA LTD.

Hyundai Motors India was established in the year 1996 in Irrungattukottai near Chennai. It is known as Hyundai Motors India Limited (HMIL). The total cost incurred in building this manufacturing unit was $614 million. This is their only manufacturing unit in India. However, they are planning to open a second manufacturing unit as well. Hyundai Motor Co was established in 1967 and is now the largest car manufacturer of South Korea. Hyundai Motor Co (HMC) is a division of Hyundai Kia Automotive Group. HMIL’s manufacturing unit in Chennai is equipped with state of the art equipments. They have all the required production and planning technology for modern production, quality control and testing mechanism.

They are probably in the most elite group of car manufacturers in India to have such technological knowledge. Their main aim is to make India a global hub for export of cars. A number of new Hyundai Cars are in the pipeline. They believe that India has the potential to achieve such a feat and in order to take India a step further they are investing heavily here. The growth of HMIL has been exceptionally high with 17.26% in 2005 when compared to 2004. Their export growth has been exceptional as well with an astonishing growth of 27.2% for the year 2005 which amounts to 1,800 crores.

They are also planning to increase their dealership network and their after sales service. In the year 2005, HMIL shipped their first consignment to the United Kingdom. Previously they had exported to some countries in the European Union but they were left hand drive cars. However, this is for the first time that they are exporting right hand drive cars. The same year they exported 200,000th car followed by its 300,000th car and 400,000th car in October, 2006 and August, 2007 respectively.

HMIL has been certified with ISO 14001 certification due to their high quality environmental standards. They have also installed the Environment Management System (EMS) in their Chennai manufacturing unit. Hyundai Motors India Limited is a fully owned subsidiary of Hyundai Motor Co.

Hyundai car Models

Manufactured locally

1. Hyundai Accent Executive (Launched 2011)
2. Hyundai Santro Xing (Launched 2003)
3. Hyundai Uber Cool i20 (Launched 2008)
4. Hyundai Next Gen i10 (Launched 2010)
5. Hyundai Fluidic Verna (Launched 2011)
6. Hyundai EON (Launched 2011)
7. Hyundai Neo Fluidic Elantra (Launched 2012)

Imported

5. Hyundai Santa Fe (Launched 2010)
6. Hyundai Sonata (Launched 2010)

HIMIL has won many different awards since its inception. However, the most recent awards are the "Executive Car of the Year-2006" for Sonata Embera, by Business Standard Motoring Magazine and the NDTV Profit- Car & bike Awards 2006 have chosen Tucson to be the "SUV of the year."
1.3.4. FORD MOTORS

Ford Motors is one of the oldest car manufacturing companies of the world. They completed their official 100th anniversary in 2003. They are the ones who had revolutionized the American Car manufacturing industry. Right now there are almost 350,000 employees working for them and they are spread over almost 200 markets in six continents. Their headquarters are located at Dearborn, Michigan. Their brands worldwide include Aston Martin, Ford, Jaguar, Land Rover, Lincoln, Mazda, Mercury and Volvo.

Ford India Private Limited is a wholly owned subsidiary of the Ford Motor Company in India. Ford India Private Limited's headquarters are located in Chengalpattu, Chennai, Tamil Nadu. It currently is the 6th largest car maker in India after Maruti Suzuki, Hyundai, Tata, Mahindra and Chevrolet. Ford Motors India started their operations in India in the 90's and since then they have created a market for themselves. Ford Motor Company Chairman and CEO William Clay Ford Jr. are of the opinion that India is a very prospective market and that investing in this market at this particular time will be highly beneficial for them.

Ford Motors is a profitable organization investing in a growing market like India would actually help the organization to improve their market condition in the United States. However, India tops in its priority list. Company believes that the sales of Ford Fiesta will be very high in India and that in general would also increase their sales comparatively. Currently, Ford's best seller in the market is Ford Ikon. Ford SUVs have always been on the top of the wish lists of the consumers in the world and India also doesn't lag far behind. Ford Motors' car are very popular in among various groups of people. Various new Ford dealers as well as old Ford dealers have contributed well in the expansion of its customer base.
Manufacturing Facilities: Ford India Private Limited's main manufacturing plant located in Maraimalai Nagar, 45 km from Chennai has a capacity to produce 150,000 cars on a two-shift basis and 200,000 with three shifts. In 2010-11, the company's production crossed the 100,000 mark. As its new hatchback Figo was launched in March 2010, Ford Motor Company has invested $500 million to double capacity of the plant to 200,000 vehicles annually and setting up a facility to make 250,000 engines annually. To meet the growing domestic demand and with an eye on engine exports, the company has invested $72 million to raise engine production capacity to 330,000 units. The company is rolling out the urban SUV Ford EcoSport in June 2013. It had announced a $142-million investment on this. With Ford EcoSport, the Chennai plant will ramp up to full capacity (200,000 units). Last year, production touched 127,000 units.

As part of its plan to launch 8 new vehicles by 2015, the car maker is pumping in an investment of $1 billion for a new state-of-the-art manufacturing plant at Sanand, Gujarat. The plant is coming up on 460 acre site. It will have an initial installed capacity to manufacture 2,70,000 engines and 2,40,000 vehicles a year.

Ford Car Models:

Current: (As of April 2013)

1. Ford Endeavour (Launched 2003)
2. Ford Classic (Launched 2005)
3. Ford Fiesta (Launched 2011)
4. Ford Figo (Launched 2010)
5. Ford Ecosport (Launched June 2013)

Discontinued:

Ford Cars is a big name in the automobile industry. It has a number of car models rolled up in the market including luxury cars. If the buyers can't afford to buy new Ford cars then they can go for used cars. There are a number of car owners that are interested to sell car.

1.3.5. HONDA SIEL CARS INDIA LTD., (HSCI)

HSCI was incorporated in December 1995 as a joint venture between Honda Motor Co. Ltd., Japan and Siel Limited, a Siddharth Shriram Group company, with a commitment to providing Honda's latest passenger car models and technologies, to the Indian customers. The Honda City, its first offering introduced in 1997, revolutionized the Indian passenger car market and has ever since been recognized as an engineering marvel in the Indian automobile industry. The success of City as well as all its other models has led HSCI to become the leading premium car manufacturer in India.

The total investment made by the company in India till date is Rs. 1620 crores, further investment of RS. 1000 crore is planned and being currently invested for the coming second plant in Rajasthan. The company has a capacity of manufacturing 100,000 cars.

Showcase Manufacturing Facility: HSCI's state-of-the-art manufacturing unit was set up in 1997 at Greater Noida, U.P with an investment of Rs. 450 crore. The green-field project is spread across 150 acres of land (over 6, 00,000 sq. m.).

The initial installed capacity of the plant was 30,000 cars per annum, which was thereafter increased to 50,000 cars on a two-shift basis. The capacity has further been enhanced to 1,00,000 units annually in February 2008. The capacity expansion was necessitated by the excellent performance of all the Honda models, particularly the growing demand for City ZX in India. Several modifications were done by the company with the objective of offering
higher quality products to its customers, faster and quicker. The expansion process also included expansion of the covered area in the plant, from 1,07,000 sq. m. to 1,31,794 sq. m.

The company operates under the stringent standards of ISO 9001 for quality management and ISO 14001 for environment management.

Sales and Distribution Network: Honda Siel Cars India has a strong sales and distribution network spread across the country. The network includes 84 facilities in 52 cities. HSCI dealerships are based on the "3S Facility" (Sales, Service, Spares) format, offering complete range of services to its customers.

Product Range: Honda Siel Car's product range in India includes Honda Jazz and Honda Brio in the hatchback segment, Honda City ZX in the mid-size segment, Civic & Civic Hybrid in the Lower D segment and Accord in the luxury segment and third generation all-new CR-V (both 2.0L 2 WD and 2.4L 4WD) in the SUV segment. While the Jazz, Brio, City ZX, Civic and Accord are manufactured at the company's plant, the CR-V & Civic Hybrid is imported from Japan as a Completely Built Unit.

Sales Performance: The cumulative sales of the company during the Financial Year period April - Mar 2008 was 62,802 units as against 61,325 units sold in Apr - Mar '07 recording an increase of 2.4%.

Environment and Safety: The Honda Group is globally recognized for its concern towards environment, safety and conservation of the society in which it operates. HSCI follows the same in India for achieving high standards in environmental safety in the various processes of car manufacturing.
1.3.6. MAHINDRA & MAHINDRA (M&M)

Mahindra & Mahindra Limited (M&M), the flagship company of the US$3 billion Mahindra Group, was set up in 1945 to make general-purpose utility vehicles for the Indian market. It soon branched out into manufacturing agricultural tractors and light commercial vehicles and later expanded its operations from automobiles and tractors to other sectors. The company has recently started a new division, Mahindra Systems and Automotive Technologies (MSAT) in order to focus on developing components and to offer engineering services.

M&M has two main operating divisions – Automotive division and Farm Equipment division. The company entered into collaboration with Willys Overland Corporation (now part of the Daimler Chrysler group) to import and assemble the Willys Jeep for the Indian market. Thereafter, in 1965 the company started producing LCV. It went on to develop its manufacturing technology to indigenously produce vehicles within a short time of signing the collaboration agreement with Willys. Today, the Automotive Division of M&M manufactures and markets MUV(Multi-Utility Vehicles), LCV (light commercial vehicles) and three-wheelers.

In 2005, the company entered into a joint venture with Renault of France for the manufacture of a mid-sized sedan, Logan, a newly developed vehicle that meets all the European regulations for emissions and safety. The Logan launched in the Indian market in 2007. M&M has also launched a joint venture with International Truck & Engine Corporation, one of the leading commercial vehicle producers in the USA, for manufacture of trucks and buses in India.
The Farm Equipment division was established in 1963 in the form of a joint venture with International Harvester Inc., and Voltas Limited, and christened as the International Tractor Company of India (ITCI). In 1977, ITCI merged with M&M and became its Tractor Division. After M&M's organisational restructuring in 1994, this division was re-christened the Farm Equipment Sector Division. Today M&M is the largest manufacturer of tractors in India. It designs, develops, manufactures and markets tractors as well as implements, which are used in conjunction with tractors.

In the 50s, the company tied up with international partners like Mitsubishi, Willys, Perrine and Chrysler. M&M commenced the production of light commercial vehicles and in 1969 it started exporting utility vehicles and spare parts. In 1982, the company launched Mahindra brand of tractors.

As per SIAM report (2008) M&M is the market leader in the utility vehicle segment with a market share of 51.5 percent. The company has garnered the highest customer satisfaction index (CSI) in the industry at 88 percent. In its 2009 survey of Asia’s 200 most admired and innovative companies the Wall Street Journal named Mahindra & Mahindra one of the 10 most innovative Indian companies. It earned a 2008 Golden Peacock Award in the Innovative Product/Services category for its in-house development of a load-car. In 2007, Mahindra & Mahindra won the Deming Application Prize and the Japan Quality Medal for Total Quality Management excellence in entire business operations.

1.3.7. TOYOTA MOTOR CORPORATION (TMC)

The history of Toyota started in 1933 with the company being a division of Toyoda Automatic Loom Works devoted to the production of automobiles under the direction of the founder's son, Kiichiro Toyoda. Toyota Motor Co. was established as an independent and
separate company in 1937. Although the founding family's name was written in the Kanji (rendered as "Toyoda"), the company name was changed to a similar word in katakana (rendered as "Toyota") because the latter has 8 strokes which is regarded as a lucky number in East Asian culture.

Toyota began to expand in the 1960s with a new research and development facility, a presence in Thailand was established, the 10 millionth model was produced, a Deming Prize, and partnerships with Hino Motors and Daihatsu were also established. The first Toyota built outside Japan was in April 1963, at Melbourne, Australia. From 1963 until 1965, Australia was Toyota's biggest export market. By the end of the decade, Toyota had established a worldwide presence, as the company had exported its one-millionth unit.

**Toyota Kirloskar Motor**

Toyota Kirloskar Motor Private Limited is a subsidiary of Toyota Motor Corporation of Japan (with Kirloskar Group as a minority owner), for the manufacture and sales of Toyota cars in India. It is currently the 4th largest car maker in India after Maruti Suzuki, Hyundai, and Mahindra.

The company Toyota Kirloskar Motor Private Limited (TKMPL) according to its mission statement aims to play a major role in the development of the automotive industry and the creation of employment opportunities, not only through its dealer network, but also through ancillary industries with a business philosophy of "Putting Customer First".

Manufacturing Facilities: TKMPL’s current plant at Bidadi, Karnataka is spread across 432 acres and has a capacity of 80,000 vehicles per annum. TKMPL's second manufacturing plant on the outskirts of Bangalore, Karnataka has a capacity of 70,000 vehicles per annum. Both plants have a combined capacity of 150,000 vehicles per annum.
On 16 March 2011, it announced that it was increasing production to 210,000 vehicles per annum due to increase in demand for its models especially the Etios and Fortuner.

**Models:**

**Manufactured/Assembled Locally**

1. Toyota Corolla (Launched 2003)
2. Toyota Innova (Launched 2005)
3. Toyota Etios (Launched 2010)
4. Toyota Etios Liva (Launched 2011)
5. Toyota Fortuner (Launched 2009)
6. Toyota Camry (Launched 2002)

**Imported**

7. Toyota Land Cruiser Prado (Launched 2004)
8. Toyota Land Cruiser (Launched 2009)
9. Toyota Prius (Launched 2010)

As a joint venture between Kirloskar Group and Toyota Motor Corporation, Toyota Kirloskar Motor Private Limited (TKM) aims to play a major role in the development of the automotive industry and the creation of employment opportunities, not only through its dealer network, but also through ancillary industries.

**1.3.8. SKODA AUTO INDIA**

Skoda Auto India started its operations in India on November 16, 2001. They opened their manufacturing unit in Shendra, on the outskirts of Aurangabad. Thus setting their foot on the Indian soil. Skoda is based in the Czech Republic and was established in the year 1895. However, in 1990, the Czech Government decided to collaborate with a foreign brand and so in 1991 Skoda Auto became a subsidiary of Volkswagen and accordingly became its fourth brand along with Volkswagen, Audi and SEAT. Entering the Indian market in 2001
was highly beneficial for both Skoda and Volkswagen. Volkswagen, for long was waiting for an opportunity to enter the Indian automobile market. Finally they entered the Indian market with one of the premier automobile manufacturers of Europe and a brand which is equally popular throughout the world called "Skoda". They deal in the luxury cars segment. Like all the other car manufacturing giants, they are of the opinion that India is a prospering market and that it has the potential to grow at a very rapid pace. They think that it is strategically very important to have a strong foothold in the Indian market.

Manufacturing Plant: making the manufacturing plant in India their first ever manufacturing plant outside Europe. Skoda car was highly accepted by the Indian population because it had the perfect combination of stylish looks and hardy exterior fitted with modern technology. This appreciation was reflected in the innumerable awards that this company received in India. At this point of time Skoda Auto India has one manufacturing plant capable of manufacturing 30,000 units. They have a network of 51 dealers spread throughout the country and have 35 different facilities. They have a market share of about 25% in the luxury car segment. Till date they have introduced 12 models in the luxury segment including their most popular model called the "Skoda Superb".

They are of the opinion that having a strong foothold in the Indian automobile market will allow them to prosper further in the South and East Asian markets. They want to make the Aurangabad manufacturing unit an exporting hub for the South and East Asian markets.

1.3.9. GENERAL MOTORS CORPORATION (GM)

General Motors Corporation (GM) is a multinational automobile manufacturer and is the second largest automaker. General Motors manufacture cars and trucks in over 35 countries.
Some of the popular brands of General Motors are Hummer, Chevrolet, GM Daewoo, Cadillac, Holden, Pontiac, Saab, Saturn, Vauxhall, and Wuling. The General Motors Aftermarket Business operates globally in the US and manages four brands; Goodwrench, ACDelco, GM Performance Parts and GM Accessories.

General Motors started its venture in the Indian automobile market with CK Birla Group of companies. General Motors entered in the Indian Automobile Industry with the Opel brand. But the General Motor's most recognized brand in India is Chevrolet.

In the recent years, General Motors have faced the financial setback. The rapidly rising gas prices resulted in a 30% downfall of sales of SUVs. General Motors enlisted its name for making outstanding future performance in the field of automobile industry in India from the year 1994. It started its venture with C K Birla Group of companies as a 50-50 share holder. Later on it reconstructed from Public limited to Private Limited in the year 1999.

General Motors is the leading automobile industry. Their cars are always are the luxury that are classy and superior. Many buyers find the rates of General motors new cars beyond their reach. But there are various car owners ready to sell car. Used cars are cost-effective and affordable.

**History of General Motors**

General Motors (GM) came into existence on the September 16th, 1908 in Flint, Michigan. It was a holding company for Buick, then controlled by William C. Durant. The next year, Durant brought in Cadillac, Elmore, Oakland and several others. In 1909, General Motors acquired the Reliance Motor Truck Company of Owosso, Michigan, and the Rapid Motor Vehicle Company of Pontiac, Michigan, the predecessors of GMC Truck. Due to a large amount of debt and the collapse in new vehicle sales; Durant lost control of General Motors in 1910 to a bankers' trust. Later, Durant started the Chevrolet Motor car company and
purchased a controlling interest in the General Motors. Durant took back control of the company. But sooner, he again lost control of the company after market collapsed and Alfred Sloan take charge of the corporation.

1.3.10. DAIMLERCHRYSLER INDIA PRIVATE LTD. (Mercedes Benz)
Radiating style, class and luxury, Mercedes Benz is a subsidiary of parent company, Daimler AG. A major player in the automotive industry, the company's product portfolio boasts of a diverse range of automobiles, right from small cars, sports cars and luxury sedans, to versatile vans, heavy-duty trucks and comfortable coaches. Founded by Karl Benz, the company created its first automobile in the January of 1886. Headquartered in Stuttgart, Germany, Mercedes-Benz automobiles have tremendously expanded since inception, and are, today, available in more than 129 countries all over the world.

Mercedes-Benz made its debut in the Indian automobile industry in the year 1994. A joint venture between Daimler-Benz and Telco, the company came to be known as DaimlerChrysler India Private Ltd, after the merger of its parent company, Daimler, with Chrysler. However, in 2007, with DaimlerChrysler's selling off its greater part of equity shares to Chrysler, the company was renamed as Mercedes-Benz India. A fully owned subsidiary of Daimler AG, the company has its headquarters in Pune. Mercedes Benz is not only associated with local production of Mercedes-Benz cars, but is also involved with global sourcing of auto components and captive automotive technology research and development.

Catering to the luxury segment of vehicles in India, Mercedes Benz produces cars for the cream of the society. Right from its initiation, the company has been producing cars for the elite society residing in India and the world. The automaker is well known for rendering its clients unmatched comfort, luxury and class-leading performance. The Mercedes-Benz
series available in India include the luxury sedans - C-Class, E-Class and S-Class. Apart from this, the company's product portfolio also includes CL-Class (two-door coupe), CLS-Class (four-door coupe), M-Class (off-roader), SL-Class (roadster) and SLK-Class (convertible) to the consumers.

**Mercedes-Benz A-Class**

A super mini, a small family car, produced by the German automobile manufacturer Mercedes-Benz. The first generation (W168) was introduced in 1997, the second generation model (W169) appeared in late 2004, and the all-new generation model W176 launched in late 2012. Originally launched only as a five-door hatchback in 1997.

**Mercedes-Benz C-Class**

The Mercedes-Benz C-Class is a compact executive car produced by Mercedes-Benz.

Introduced in 1993 as a replacement for the 190 (W201) range, the C-Class was the smallest model in the marque’s lineup until the arrival of the A-Class in 1997. Mercedes-Benz C-Class is an entry level 4-door 5-passenger entry level luxury sedan. Most accessible of all Mercedes Benzes, it is a car with classy design and shape. The car is equipped with all top-notch accessories, making it really a class buy. It is an elegant vehicle, and you would surely love to ride it.

**Mercedes-Benz E-Class**

The Mercedes-Benz E-Class is a range of executive cars manufactured by Mercedes-Benz in various engine and body configurations. The E initially stood for *Einspritzmotor* (German for fuel injection engine); a new feature in volume production vehicles at the time that the E-Class first appeared, with the E as a suffix to the engine nomenclature in the 1950s. Mercedes-Benz E Class is nothing less than a luxury cabin running on the road. The car flaunts all attributes associated with brand Mercedes-Benz. The
E class has additionally-designed and spruced-up style enhancements to accentuate the Mercedes-Benz merchandise.

**Mercedes-Benz-S-Class**

The Mercedes-Benz S Class is a series of luxury sedans produced by German automaker Mercedes-Benz, a division of German company Daimler AG. "S-Class" is an anglicisation of ""S-Klasse," a German abbreviation of "Sonderklasse," which means "special class" (in the sense of "a class of its own").

The classification was officially introduced in 1972 with the W116 S-Class, which succeeded previous Mercedes-Benz models dating to the mid-1950s. The S-Class has served as the flagship model for Mercedes for over fifty years in its various incarnations. The S-Class has debuted many of the company's latest innovations, including drivetrain technologies, interior features, and safety systems. The S-Class has ranked as the world's best-selling luxury sedan.

**Mercedes-Benz-GLK**

The Mercedes-Benz GLK is a compact luxury crossover SUV that went on sale from the autumn of 2008 after its public debut at the 2008 Beijing Auto Show alongside the competing Audi Q5.

**Mercedes-Benz-M-Class**

The Mercedes-Benz M-Class is a luxury midsize sport utility vehicle (SUV), first offered in 1997 as a 1998 model. This vehicle is not the first luxury SUV. Bently holds that record when it built 6 luxury SUV for a car collecting sultan in 1994. Gradually, the M-Class became a sales success in the United States and Mexico. In terms of size, it is slotted in between the smaller GLK-Class (based on the C-Class) and the larger GL-Class, with which it shares platforms.
Mercedes-Benz GL-Class

The Mercedes-Benz GL-Class is a full-size luxury crossover SUV built by the German carmaker Mercedes-Benz since 2006. A three-row, 7-passenger vehicle, it slots above the Mercedes-Benz M-Class in the lineup and shares the same unibody architecture. The vast majority of GL-Class vehicles are assembled at Mercedes-Benz US International, Inc, in Tuscaloosa County, Alabama except for a small number of early production 2007 model vehicles which were manufactured in Germany.

1.4. NEED OF THE STUDY

The Indian automotive industry is emerging as “Sunrise Sector” in the Indian economy. India is anticipated to turn into the third largest automobile market in the world. Many global companies are looking at India as a major export hub. As the growth rate in American and Europe continent is declining, the companies are feeling that India and China is ray of hope for the automobile players. By the end of this decade, the luxury and ultra luxury car segment is estimated to grow around two-three per cent of the overall passenger car market in India. India is one of the largest base to export compact cars to Europe. Apart from that because of fuel prices and concern for environment, hybrid vehicles and electronic car market is getting developed and India will be one of the key markets for these new developments.

For the long time this industry has contributed to national GDP and creating employments adding value to the life of people. But increasing taxation burden, fuel prices, interest rates, increasing expectations of the customers and OEMs (Original Equipment Manufacturer), getting and retaining right human resource is a big challenge to the business as workforce is more volatile in sticking to the organization.
Increasing fuel prices and fluctuations in interest rates are major influencers which affect the dealership business. The present recession which is hampering all the sectors of the economy but automobile sector is a one which is under fire and doest not seem to recover for the next –three years in India. As in USA, Indian automobile OEMs may not want special financial packages for the recovery but may need some support in terms of interest rates, subsidy on imports of raw materials.

There are several factors, which are expected to contribute to the growth in the automotive industry which makes this study more relevant and important.

**Some of the factors are as under:**

A. **Increasing Demand for Vehicles**

There has been growth in the income levels and easy availability of financing options. Greater consumer awareness and closer linkages with the global auto trends, for example, shorter life cycles of vehicles due to faster replacement, have led companies to introduce contemporary products in the Indian market. The CAGR of 14.1 per cent achieved by the domestic automotive industry between 2001-02 and 2006-07 makes India one of the fastest growing markets in the world.

B. **Stable Economic Policies Adopted by Successive Governments**

The Indian Government has ensured continuity in reforms and policies in the country, which has contributed to the overall economic growth, including the growth of the automotive sector. In addition, the government has taken specific policy initiatives, such as lower excise duties on smaller cars and so on to boost local demand. Implementation of VAT has positioned India globally, as one of the leading low cost manufacturing sources.
India is expected to emerge as the manufacturing hub for small cars and it has already been recognized as a low cost source for components.

**C. Growth Forecasts as per Automotive Mission Plan**

The size of the Indian automotive industry is expected to grow at a rate of 13 per cent per annum over the next decade to reach around US$ 120-159 billion by 2016. In volume terms, the market is expected to reach 31.96 million units by 2015. The total investments required to support the growth are estimated at around US$ 35-40 billion. Sales of passenger vehicles are expected to grow from the current 1.58 million vehicles to 2.65 million vehicles by 2015.

The contribution of the automotive sector to the Indian GDP (Gross Domestic Product) is expected to double from the present level of 5-6 per cent. The total exports from the automotive sector would be around US$ 30–35 billion, of which component exports would account for US$ 20-25 billion and vehicle exports for the rest. The total employment generated in the auto sector would be around 25 million by 2016 (including indirect employment).

**D. Need for Integrated Study**

Dealerships are mostly studied from marketing point of view to study their efficiency by customer satisfaction survey. From HR point of view- employee satisfaction surveys are conducted.

But in the present study, dealers are evaluated from customers point of view and as well as employee point of view. Not only that, the study investigates the issues, challenges and trends in dealership business.
The dealership service is very important stakeholder in the forward linkage effect of industry. This fact justifies the need for this study. Moreover the dynamics of the problems of dealership sectors has not been given any attention so far. No research effort has been made in this regards.

The present proposed research work would positively fill up this research gap.
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