CHAPTER – II
CONCEPTUAL FRAMEWORK
REVIEW OF LITERATURE

The department of Economic and marketing research of M/s Hindustan Motors Ltd, Calcutta (now Kolkata), 1966 conducted a study on "The automobile industry in India" and reported that the first motor car was imported into India in 1898, and for nearly 30 years no attempt was made even to carry out. Till 1948, the assembly of motor vehicle was not undertaken in India\(^1\).

Mary C. Gilly., et al., (1982) in a article entitles, “Past purchase consumer processes and the complaining consumers” attempts to incorporate both of these post purchase grievances by examining the attitude and behaviour of complaining consumers. 521 consumers who complained to a major oil company, out of a stratified random sample of 964 complaints, were taken as the suspects of the study. Stratified study tools such as simple percentage, chi-square test and spearman Rank Correlation were used to analyse data. The findings of the study resulted that the relationship between sales person and re-purchase would need not flow only on hypothesized directions. The attitude and the behaviour of the complaining consumers should not some respondents might have repurchased, found the companies satisfied or not satisfied and been influenced by and degree of satisfaction when they respond to the questionnaire\(^2\).

Peeru Mohammed . H (1988) in his study,” The passenger car industry of India: a study of market condition and brand selection” concluded that the brand selection is more influenced by product quality and market related character than personal character, and also pointed out the government support is very poor in the initial stage for the manufacturer. From the above conclusion, it is clear that the product quality and market related characteristics are key influencing factors for brand selection\(^3\).

Philip Kotler (1990) in the article : Record share of auto sales” noted that customers view the brand based on superior styling, reliability and durability. He suggest that fair value and quality , play vital role in auto sales. Finally he concluded that many customers are firmly conceived that better quality vehicles are better all around than domestic automobiles\(^4\).
Vinodh (1992) studied” the customer opinion and preference towards different brands of petrol cars”. The study also examined the relative factors that affected the purchase decision of customers. The reason disclosed in the study were durability aspect, fuel economy and easy maintenance\(^{(5)}\).

Mubarak Ali K.M (1993) Analysed the purchasing pattern, brand preference, brand loyalty and suggested some suitable measures to improve the brand loyalty\(^{(6)}\).

Thiyagarajan .D (1994) in his study analysed the different sources that influenced the customers in buying cars. The study aimed to assess the extent of this influence on the purchase, and among the different sources, family members influence the customers to go for buying a particular brand\(^{(7)}\).

Anil Mathere, Goerge .P Moschis and Euchum Lee (1995) in “life events and brand preference changes” rely on the assumption like, most consumers change their preference for brand several times in their life time; however, the question is what makes them to change their preference over a period of time. In this study they found that three types of factors are related to brand – switching behaviour (Morgan and Der, 1994): Consumer characteristics (Van Trijp et. al., 1996), Marketing mix strategy employed by marketers (Deighton et al., 1994) and personal influences (Bucklin and Srinivasan, 1991). Life events may directly influence stress and change ones’ lifestyle as well as ones’ brand preference. Therefore, anticipated events or role transitions may lead to stress and changes in lifestyles and brand preference\(^{(8)}\).

The Indian institute of Public opinion (1996) in its “Monthly commentary“ said that getting to know the consumers was important, besides being cost competitive. Consumer now wanted more features and willing to pay even more for these extra features. While the cost of element should not be ignored, the ability to add features keeping the consumers in the mind is also important\(^{(9)}\).

Muruganandam (1997) in his study “A consumer brand preference for motor cars in coimbatore city” stated that the factors that influences the consumers in the performance of car were price and design and after sale services provided by the dealer\(^{(10)}\).

Vani (1997) made a study on” customer satisfaction towards use of cars”, The study aimed to know customers satisfaction on after sale service provided by the dealers\(^{(11)}\).
Alan Ching Biu Tse (1999) in “Factors affecting consumer perception on product safety” examined how perceived product safety may be affected by such product related factors as price, brand name, store name, promotion channel, source creditability, country of Origin, nature of product testing, authority and warranty. It shows that perceived product safety was significantly affected by all of the variables mentioned above. It implies that, by carefully manipulating these variables in formulating marketing strategies, managers can attract the large and growing market safety - conscious consumers and gain a competition edge that cannot possibly be ignored\(^{(12)}\).

A. P. Gandhi (1999), in his article, “Passenger cars- wide choice for buyers “, found that India is the hub of multi coloured cars seen on Indian roads. The truth is that their both the manufacturing and marketing of automobiles\(^{(13)}\).

Jayashree . T (2000) in” a study on customer satisfaction of Hero Honda Motor cycle with reference to free service rendered by Gem motors” has given the following conclusion in the study: The dealer can satisfy his/ her customer by providing quality service through appointing trained people and they should pay more attention on the complaint mentioned by the customer and they should give details about unique features, warranty scheme, operating facilities and safe riding of the vehicle\(^{(14)}\).

Keerthi . N (2000) in her study “The impact of Television advertisement on consumer in buying small cars”, stated that the consumer opinion towards necessary modification in the advertisement of the products influenced the consumers to purchase the car. It was also found that the advertisement must be made more attractive\(^{(15)}\).

Ahamed Jamal and Mark M.H Goode (2001) in their paper ,” Consumer and brand: a study of the impact of self-image congruence on brand preference and satisfaction” experimented on the previous research on how self-image product image congruity can affect consumers product preference and their purchase intentions. This paper reports findings congruity and brand preference and satisfaction in the precious Jewelley market in U.K and it indicates the self-image of consumers brand preference and a good predictor of consumer satisfaction\(^{(16)}\).

Gomathi.R (2001) in her study attempted to find the consumer preference for small cars and also aimed to know the problems of using small cars. She stated that when compared with other type of cars the consumer preferred Maruti cars\(^{(17)}\).
**Gustafsson .A Johnson M.D** (2002) developed a general framework for linking measures from quality to business performance via customer satisfaction and loyalty. The author illustrated how the framework had been applied at Volvo car Corporation\(^{(18)}\).

**Mr. Jackyan** (2003) in his article “The brand attitude of Automobile” wrote that the earlier evidence has shown that getting the vision, philosophy and strategy right as well as all other steps that ensure the brand understood internally before it was communicated externally – led to strong brand equity and business performance, whether financial or strategic. There is no mystery behind it and it is discerned the same way as other intangible brand aspects of an organisation. The manufacturers need to understand that because the customers were judging them with emotional terms\(^{(19)}\).

**Jaganathan. A** (2003) in his study on “Consumer attitude towards small cars in coimbatore city” revealed that the buyers of cars gain knowledge about cars more through advertisement rather than through any other sources. The customers felt that the small cars were better than other type of cars\(^{(20)}\).

**Manikandan Kishare Babu and Dr. D. Ragunatha Reddy** (2004), in their article, “A study on passenger car industry in India” mentioned that the demand for cars in the past was supply-driven and the supply did not match the huge demand. This led to high premium and long waiting periods for the purchase of cars. But change in government policies coupled with aggressive capacity addition and upgradation of models by Maruti Udyog Ltd in the early 1990’s led to increase supply and subsequently reduced waiting periods of cars\(^{(21)}\).

**Jisha . N** (2004) concluded that availability of cost of spares and satisfaction on the various models influenced the respondents and also the respondents were satisfied with models of the car especially with the after sales service provided to them.\(^{(22)}\)

**Dr. K. Chidambaram, Dr. A Soundararajan, and Mr. Alfredmino** (2004) undertook a study on “Brand preference of Passenger cars – A study with special reference to Coimbatore city in Tamil Nadu”, They said that the customers gave more important to fuel efficiency than to other factors. They believe that the brand name would say some thing about products, quality, utility, technology and so on. The consumers preferred passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price\(^{(23)}\).
Ranganathan. K (2005) Studied “Consumer market and buyer behaviour of cars” said that the brand image could be increased by the advertisement which clearly showed the features of cars. The result of the study was the necessity is the first factor of choosing the car and mileage is an important factor expected from the car\(^{(24)}\).

Mr. J. Clement Sudhahar and Dr. R. venkatapathy (2005) in his study “Automobile purchase- Peer influence in decision making”, said that the buyers of passenger car were expected the high value product and adopt high effort judgment and decision making process. The study also revealed that the passenger cars are considered Luxurious one and the consumers tend to consult all the intimate groups for finalizing the buying decision\(^{(25)}\).

Audreas Gallaseh et al (2005) undertook a study on “challenges for the automotive industry on demand environment – seven areas of strategic action” Globalisation, individualization, digitalization, and increasing competition were changing the face of the industry. A “strong brand image” could provide a kind of uniqueness to the product\(^{(26)}\).

Vikas Mehra (2005)in his article “Decision making: A study of intending car buyers consideration set in the small car market (segment B) “ – focused on the two fold objectives, that is, to provide the Indian consumer a contemporary choice appropriate to his need and purchasing power and to strengthen Indian automobile industry\(^{(27)}\).

Naomi Mandel, Petia .K Petrova, and Robert .B. Cialdini (2006) in “Images of success and preference of Luxury brands” investigated how stories about successful others might have impact on ones’ expectation and consumption preference. In this study they examined how consumers purchasing habits are influenced by comparison with individuals who are wealthier and more successful than themselves\(^{(28)}\).

Abdul Haney. M, Abdul Karim. B. A and Edwin Gnanadas. M (2006) In his study,”Consumer buying behaviour of two wheelers in Tirunelveli City, Tamil Nadu” noted that consumer buying refers to buying behaviour of final consumers, who buy goods and services for personal consumption. They worked on Walter’s statement that buyer behaviour is the process where by individuals decide what, when, where, how and from whom to purchase. Finally they concluded that consumer behaviour is influenced strongly by cultures, social, personal and psychological factors. A person buying choices are further influenced by four major psychological factors: Motivation, perception, Learning, Beliefs and Attitude\(^{(29)}\).
Jeff Forston (2006) undertook a study to find out the best time to buy a car. The article discussed the right month to buy a car. The study concluded that, there was no single factor that determines the best time to purchase a vehicle, however there are a number of tools available to maximise savings(30).

Jessy Snyder (2007) studied” The lack of information blocks new power trains”, in this study web based interviews were conducted with 1250 dealers and 1240 consumers in Germany, U K and France. 60 Percent of the consumers revealed that they would consider buying either electronic gasoline hybrid or a bio diesel car as their dealers and consumers agreed that lack of information was the biggest barrier to buying an alternatively powered car(31).

Robyn Meredith (2007) in his article” The next peoples’ car” traced the development of a car by Tata motors which aimed to sell for about Dollar 2500, the cheapest, by far, ever made. Tata motors on the global center for small – cars productions and represented a victory for those advocate making cheap goods for potential customers at the “bottom of the pyramid” in emerging markets(32).

Dr. Renu Verma (2007) in her article” A study of tubeless tyres with special reference to passenger car Radial tyres”, stated that the absence of a tube made the tyre lighter in weight, thus it has less lighter in weight, thus it has less chance of vibrations, which means that it led to a better fuel savings. This also helped the tyre to run cooler by the eliminated heat generations caused by the internal shuffling of the tube. She found that the tubeless tyres improve the fuel efficiency of the car(33).

Dhanalakshmi. P (2007) undertook “ A study on consumer perception and brand preference towards small cars in Erode district”, stated that the new players who are capable of attracting customers by offering lower price and the established car companies have to redefine their relationship with the dealers(34).

Tony Lewin2007 in his article” The plan of Honda to launch entry priced Gasoline – Electric Hybrid model”, stated that Europe secured largest market for new volume of cars and Honda would launch an entry-priced – electric model in the mid of 2009 that would be produced at the rate of 2 lakh cars per year. The insight was launched in the year 2000 and sold 390 units in Europe before it was withdrawn in the year 2004(35).

Dr,S.Sakthivel Rani (2008) undertook a study of “Passenger Car Industry in India” and said that the global automotive Industry attempts to develop and produce “World
Cars” for the mass market that could be sold with minimum modifications. The World car strategy has traditionally been successful in the upper end of the consumer market with cars of international appear such as Rolls Royce, Mercedes, BMW and Porsche. The expected ride in Income levels, wide choice of models and easy availability of finance at low interest rates would drive growth in passenger cars segment and the future looks even brighter(36).

Dr. V. K. Kaushik and Neeraj Kaushik (2008) in their article “ Buying behaviour of passenger cars - A study in south west Haryana”, stated that the most of the respondents in Haryana were aware of many popular brands. They believe that the brand name represents them something about product quality, utility, technology and delight features(37).

Mr. Singam Charan Koushik (2008) in his article “ customer satisfaction: An analysis of Kinetic Honda” Stated that the advanced lean burn technology optimized the fuel-to-air ratio in the engine. The favourite features like auto gears, auto start, and hyper suspensions are considered by the consumers when they go for purchase(38).

Clement sudhakar. J and Venkatapathy. R (2009) the study is on the influence of Peer group in the purchase of a car with reference to Coimbatore District”. It was also found that the influence of friends is higher for the purchase of small size and mid size cars(39).

Dr. P. Natarajan and U. Thiripunasundari (2010) this study focuses on the consumer preference of global brands Vs local brands in the study car industry. The findings of the study advised that the consumers who possessed their car brand due to factors such as global presence, worldwide reputation and the quality of being imported(40).

Sudharani Ravindran and Gayathridevi (2010) the author in their articles studied the customer satisfaction of Hyundai i10 cars in Coimbatore city. The customers expectations over a Hyundai I 10 were identified and it was found to be based i=on certain factors. The most motivated factor is design and style(41).

Henry Ford undertook a study on “ Mass Production” said that the initial success in making cars in large quantities should reduce cost and increase more profits. So many consumers could own and use the car easily. He also observed that the standardised parts and recognised factory production should maximise efficiency(42).
Profile: BMW

Founded in 1917, the BMW Group is now one of the ten largest car manufacturers in the world and, with its BMW, MINI and Rolls-Royce brands, possesses three of the strongest premium brands in the car industry. The group also has a strong market position in the motorcycle sector and operates a successful financial services business. The company aims to generate profitable growth and above-average returns by focusing on the premium segments of the international automobile markets. With this in mind, a wide-ranging product and market offensive was initiated in 2001, which has resulted in the BMW Group expanding its product range considerably and strengthening its worldwide market position. The company’s brand is extremely strong and is associated with high performance, engineering excellence and innovation. Indeed, the BMW brand is often cited as one of the ‘best’ in the world, and the company continues to launch a stream of innovative products as part of its battle with German peer Mercedes to be the world’s largest luxury car maker.

BMW’s focus on engineering excellence allied to leading-edge design continues to drive successful, profitable expansion. In 2007 BMW sales increased by 8%, Mini by 18% and Rolls-Royce by 26% with, for the first time ever, over 1000 of the super luxury cars being produced in one year. To further this growth, a host of new models is being launched, including the Mini Clubman and the new sport utility vehicle, the BMW X6 - the world’s first SUV coupe. While the Clubman reinvents views on vehicle access, the X6 is an excellent example of BMW innovation at work. It combines the safety and convenience of a four-wheel-drive with the on-road performance of a sports car and is designed to appeal to the driver who enjoys a commanding driving position, but also savours the characteristics of a sports car. With its stretched coupé silhouette and pronounced performance design, underpinned by hybrid engine options, as previously achieved with the X5 and the X3 in allied markets, the X6 is the latest instance of BMW changing perceptions of what a car should provide – for its passengers and its driver alike. At its heart, it restates an aspiration for driving that is both exclusive and yet also available to the mass market.
The Porsche legend

What makes a manufacturer of Sports Cars so special that people even go so far as to talk about the "Porsche legend"?

The history of our company is certainly a major factor. It is a combination of major success in motor sports and Sports Cars that are suitable for everyday road use worldwide. It is not something that only exists in our museum – it is very much alive.

History is written by people. For example, by Ferdinand Porsche who established an engineering office in Stuttgart in the 1930s, laying the foundation for the company. Cars with sporty genes were designed there as early as 1931. After his son Ferry Porsche took over, this idea was carried forward and evolved into the Porsche 356. The first Sports Car to carry the Porsche name was manufactured as a production model from 1950 onwards in Zuffenhausen. From 1964 onwards, the 356 was replaced by another classic: the Porsche 911. Porsche officially launched the 7th generation of the Sports Car icon at the 64th International Motor Show (IAA) in Frankfurt/Main in 2011.

Generation Porsche

Every year, a lot of young people start their training or a dual course of study at the Porsche Training Centre in Zuffenhausen.

They work together on their "Porsche future". A secure future: all trainees at Porsche receive a permanent contract at the end of their training.
In the coming years, we are increasing the number of apprenticeship places gradually to a total of 150.

FIG 2.3 Porsche legend

Mercedes-Benz India

Since September 1902, DMG has the patent-protected, brand name "Mercedes.". Gottlieb Daimler's sons, Paul and Adolf, recalled that their father had previously used a three-pointed star as a symbol.

Gottlieb Daimler who was the Technical Director of Deutz Gas motorenfabrik from 1872 to 1881 marked his house on a picture of Cologne and Deutz with a three-pointed star. He predicted to his wife that this star would one day rise gloriously above his production plant.

In 1909, the DMG Board of Management seized on this prediction and registered both a three-pointed and four-pointed star as trademarks. Both logos were legally protected but it was the three-pointed star that was ultimately used. A three-dimensional star featured on the front radiator of vehicles from 1910 onwards.

In November 1921, DMG applied for protection of utility patents for new variants of its brand logo and registered a three-dimensional three-pointed star enclosed in a circle at the patent office - including a design for the radiator grille.

Company History

When Gottlieb Daimler and Karl Benz invented the high-speed engine and the automobile independently of each other in the 1880s, they laid the foundations for
motorised private transport. With the help of financial backers and partners, both engineers carried out private development work at their own companies. Benz founded Benz & Co. Rheinische Gasmotoren-Fabrik in Mannheim in October 1883; the Daimler-Motoren-Gesellschaft (DMG) was founded in Cannstatt in November 1890. Both companies wanted to come up with a memorable trademark to make their products both distinctive and familiar. Initially they opted for their own names – Benz and Daimler - to represent the origins and quality of their engines and vehicles. The Benz & Cie. trademark did not change (though the gearwheel used in 1903 was replaced by a laurel wreath encircling the Benz name from 1909). However, the products of DMG appeared under the new brand name Mercedes at the turn of the century.

Company Founder(s)

Karl Benz was the founder of Mercedes-Benz. He was the son of Josephine and Johann Georg Benz. Josephine gave birth to Karl on 25 November 1844 at a guesthouse at Rheinstrasse 22 in the Muhlburg district of Karlsruhe and married Johann Georg one year later in 1845. Karl’s father died when Karl was two years old and so his mother had to provide board and lodging to students to finance her son’s studies.

Karl attended scientific grammar school in Karlsruhe and at 15 years of age pass the examination for a polytechnic school. In 1864, he completed his studies and began working as a mechanic. He married Bertha Ringer on 20 July 1872. Then three years later, he built a three-wheeler and filed a patent for it on 29 January 1886. This was considered as the birth certificate of the automobile. Karl died in 1929.
**Volkswagen**

Volkswagen AG is a Germany-based automobile manufacturer. The Company develops vehicles and components, and also produces and sells vehicles, in particular Volkswagen brand passenger cars and commercial vehicles. The Company consists of two divisions: Automotive and Financial Services division. The Automotive division is responsible for the development of vehicles and engines, the production and sale of passenger cars, commercial vehicles, trucks and buses, and the genuine parts business. The Financial services division's portfolio of services includes dealer and customer services in the field of financing, leasing, direct bank, insurance and fleet business. The Company's brands include Volkswagen, Audi, Bentley, Bugatti, Lamborghini, SEAT, Skoda, Scania and Volkswagen Commercial Vehicles and each brand offers a product range from low-consumption small cars to luxury class vehicles, as well as pick ups, busses and heavy trucks in the commercial vehicle sector.

![FIG 2.5 Volkswagen](image)

**Nissan Motor Co Ltd**

NISSAN MOTOR CO., LTD. is a Japan-based company primarily engaged in the manufacture and sell of automobiles. The Company has two business segments. The Automobile segment manufactures and sells vehicles, forklifts, marine products and accessories. The Sales Financing segment is engaged in the provision of sales financing services. As of March 31, 2012, the Company has 199 subsidiaries and 25 associated companies. In August 2011, the Company established a Kyusyu-based company. On March 22, 2012, the Company fully acquired Aichi Machine Industry Co., Ltd., which is engaged in the development, manufacturing, sale of engine and manual transmission in Nagoya, Japan.
TOYOTA MOTOR CORPORATION is a Japan-based company mainly engaged in the automobile business and financial business. The Company operates through three business segments. The Automobile segment is engaged in the design, manufacture and sale of car products, including sedans, minivans, 2BOX cars, sport-utility vehicles and trucks, as well as the related parts and accessories. The Finance segment is involved in the provision of financial services related to the sale of the Company's products, as well as the leasing of vehicles and equipment. The Others segment is involved in the design, manufacture and sale of housings, as well as the information and communication business. As of March 31, 2012, the Company had 507 subsidiaries and 212 associated companies.
Mitsubishi:

As an international company, Mitsubishi has a virtually unlimited number of resources. These connections enable us to incorporate the latest technologies into every product that we produce.

It is our goal to design and develop injection molding machines that are not only compatible with your ever-changing and technologically demanding needs, but that are accurate, efficient and easy to use.

Our molding and technical service specialists and in-house engineers can find important ways to save you money through mold test data evaluations and their knowledge of how much you can get out of your Mitsubishi machine.

Our more than 40 years of experience can be seen in today's Mitsubishi Injection Molding machines. They include leading edge technology and superior performance which belong in plastics molding facilities where precision, energy-savings and maximum productivity are critical to your success.

FIG 2.8 MITSUBISHI
Tata motors

Company Profile

Tata Motors Limited is India's largest automobile company, with consolidated revenues of INR 1,65,654 crores (USD 32.5 billion) in 2011-12. It is the leader in commercial vehicles in each segment, and among the top in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. It is also the world's fourth largest truck and bus manufacturer.

The Tata Motors Group's over 55,000 employees are guided by the mission "to be passionate in anticipating and providing the best vehicles and experiences that excite our customers globally."

Established in 1945, Tata Motors' presence cuts across the length and breadth of India. Over 7.5 million Tata vehicles ply on Indian roads, since the first rolled out in 1954. The company's manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka). Following a strategic alliance with Fiat in 2005, it has set up an industrial joint venture with Fiat Group Automobiles at Ranjangaon (Maharashtra) to produce both Fiat and Tata cars and Fiat power trains. The company's dealership, sales, services and spare parts network comprises over 3,500 touch points.

Tata Motors is also expanding its international footprint, established through exports since 1961. The company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, South East Asia, South Asia, South America, CIS and Russia. It has franchisee/joint venture assembly operations in Bangladesh, Ukraine, and Senegal. Tata Motors also introduced India's first Sports Utility Vehicle in 1991 and, in 1998, the Tata Indica, India's first fully indigenous passenger car. Tata Motors is committed to improving the quality of life of communities by working on four thrust areas - employability, education, health and environment.

Through its subsidiaries, the company is engaged in engineering and automotive solutions, automotive vehicle components manufacturing and supply
chain activities, vehicle financing, and machine tools and factory automation solutions.

With the foundation of its rich heritage, Tata Motors today is etching a refulgent future.

**FIG. 2.9 TATA**

**Honda**

Honda Cars India Ltd., (HCIL) is a leading manufacturer of premium cars in India. The company was established in 1995 with a commitment to provide Honda’s latest passenger car models and technologies, to the Indian customers. The company is a subsidiary of Honda Motor Co. Ltd., Japan.

HCIL’s first manufacturing unit was set up at Greater Noida, U.P in 1997. The green field project is spread across 150 acres and has an annual production capacity of 100,000 units. The company’s second manufacturing facility is in Tapukara, Rajasthan. This facility is spread over 450 acres and currently has a state-of-the-art Power train and Press shop. The first phase of this facility was inaugurated in September 2008.

The company’s product range includes Honda Brio, Honda Amaze, Honda City, Honda Accord and Honda CR-V which are produced at the Greater Noida facility. Honda’s models are strongly associated with advanced design and technology, apart from the established qualities of durability, reliability and fuel-efficiency.
Chevrolet

Chevrolet, also known as Chevy, is a division of General Motors (GM) that was founded by Louis Chevrolet, a race-car driver, and William C. Durant, founder of General Motors, in 1911 (Wikipedia, 2008). With a dramatic influence on the American automobile market in the 1950s and 1960s, one out of ten cars sold in the United States was a Chevy (Wikipedia, 2008). Chevrolet created an image of being the American vehicle by using slogans such as, “Heartbeat of America”, “An American Revolution”, and “America’s Best Trucks” (Wikipedia, 2008). As of today, Chevy offers over twenty vehicles ranging from subcompact cars to medium duty commercial trucks in addition to being offered in Europe and Asia (Wikipedia, 2008). The automotive industry is highly competitive and Chevy has fared well against its competitors. The main domestic and foreign competitors for Chevy include Ford and Toyota, respectively. In order to meet consumer demands and rise above its competitors, Chevrolet has devised new strategic planning. Chevrolet has devised new corporate strategies in order to rise above the competition in the automotive industry. With the economic decline and concern for the environment, Chevy has been able to address current and future issues not only benefit the company but also the economy and the environment as well.
There are four key points that have been addressed with the new strategy. The first associated with the increasing gas prices and economic decline and the second issue addressing the increase in environmental awareness and concern, both leading to the development of hybrid, electric, and fuel cell vehicles in addition to the use of bio fuels (Chevrolet, 2008). Chevy has also addressed the increase in environmental awareness by manufacturing parts from recyclable and renewable materials (Chevrolet, 2008). The third key point addressed was with the change in consumer demands for a more efficient vehicle.

FIG. 2.11 CHEVROLET

Hyundai

Hyundai Corporation, Korea’s leading general trading house, provides international trade and distribution services for a wide range of products, including steel, heavy machinery, ships, industrial plants, automobiles, electrical and electronic equipment, and basic commodities.

In addition to export and trading, Hyundai Corporation has achieved remarkable success through investing in energy resource development projects in Asia and the Middle East. Hyundai Corporation has 34 years of experience in global trades, solid financing capabilities, and unparalleled regional and local expertise through our network of nearly forty offices worldwide.

In recent years, Hyundai Corporation has further diversified its business portfolio by expanding into new businesses. Notably, it has become a world-class player in the shipbuilding industry by establishing Qingdao Hyundai Shipbuilding, a
Chinese subsidiary specializing in the construction of mid-sized commercial vessels. Hyundai Corporation is also working with select partners to bring Hyundai-branded electronics and other consumer products to households worldwide, and has seen remarkable growth in the sale of mobile phones, digital cameras, and home audio/video systems.

At the end of 2009, Hyundai Corporation became an affiliate of Hyundai Heavy Industries, the world’s undisputed leader in shipbuilding, heavy equipment, and emerging technologies such as solar and wind power. Hyundai Corporation is now well-poised to become one of the world’s top solutions providers for any number of commercial and industrial needs, with resources, sector and regional expertise, and individual talents second to none.

FIG. 2.12 HYUNDAI

Renault

In Renault's road race against rival Peugeot Citron to be France's dominant automaker, second place will have to deus. Renault manufactures and markets small to midsize cars and light trucks under three brands: Renault, Dacia, and Renault Samsung Motors (Renault holds 80%, Samsung 20%). The company owns Automobile Dacia (Romania's leading automaker) and holds just under half of the Renault-Nissan Alliance (and 43% of Nissan). It also participates in an alliance with Russian car maker AvtoVAZ and helps Germany's Daimler build smart cars. Renault, which has become an international brand, operates nearly 40 manufacturing facilities in more than 15 countries and sells into 118 nations.
In 1895 Laurin and Klement founded Skoda, a Czech automaker, whose headquarters are located at Mlada Boleslav, in the Central Bohemian Region of the Czech Republic. It is a private company and a subsidiary of the Volkswagen Group, a German automobile manufacturing group. The Company was founded because Laurin and Klement had a mutual love for bicycles and they wanted to form their own company that would manufacture and repair cycles. But, Skoda produced its first cars in 1905.

Skoda’s Chairman is Winfried Vahland and the Chairman of the Supervisory Board is Martin Winterkorn. Mr. Vahland was appointed Chairman of the Board of Directors of Skoda on September 1st, 2010 replacing Reinhard Jung, the former President of Volkswagen Mexico who held the position for three years. Mr. Winterkorn, a professor-turned-chairman, praised Mr. Jung. He said Jung was instrumental in developing the “traditional Skoda brand.” But, he applauded Mr. Vahland even more vehemently saying, “Winfried Vahland has been instrumental in making China Volkswagen’s second home market.”

Skoda sold 6,84,226 cars in 2009. However, this figure was global and the Indian market failed to show sales growth as it found that in 2009, it had grown only by single digits, much lower than the 38% registered growth in 2008 –16,200 cars in the Indian market. Laura and Octavia are the super-sellers in the Indian market while Fabia trails behind just a little at a figure of 7,000 cars. The company’s sales figures increased primarily due to the Octavia which had sales figures of 2,73,590 cars in 2009. Another successful model in 2009 was the Skoda Fabia.
Vaclav Laurin, a mechanic and Vaclav Klement, a book-seller, had manufactured bicycles, later producing motorcycles and ultimately producing cars. They founded a company called the Laurin and Klement Company in 1895 which manufactured bicycles, motorcycles and automobiles. The company grew and they had 12 employees later on. Car production commenced in 1905.

![Car Image]

**FIG. 2.1 SKODA**

**Audi**

The Audi India strategy encompasses significant investments in branding, marketing, exclusive dealerships and after sales service for the upcoming years. At present, Audi is assembling the Audi A6 and the Audi A4 for the Indian market in Aurangabad. Local production of the Audi A6 started at the end of 2007 and of the Audi A4 in early October 2008.

AUDI AG develops and produces luxury cars and sold worldwide a total of 1,003,000 cars in 2008. Audi produces vehicles in Ingolstadt and Neckarsulm (Germany), Gyor (Hungary), Changchun (China) and Brussels (Belgium). The company is active in more than 100 markets worldwide. AUDI AG’s wholly owned subsidiaries include Automobile Lamborghini Holding S.p.A. in Sant’Agata Bolognese (Italy) and Quattro GmbH in Neckarsulm.

Audi currently employs around 57,000 people worldwide, including 45,000 in Germany. It invests more than €2 billion each year. Audi plans to significantly increase the number of models in its portfolio by 2015 to 40. The Audi brand celebrates its 100th birthday in 2009. Audi is a subsidiary of Volkswagen. As a manufacturer of high-quality luxury cars, Audi is one of the world’s leading premium brands. It is represented in 110 countries worldwide and has been selling
cars in India since 2004. These were imported into the country by dealers without being homologated. In March 2007, Audi established a formal presence in India with Audi India being a division of Volkswagen Group Sales India Pvt. Ltd.

In 1964, Volkswagen bought 50% stake in the company and in 1969, Auto Union merged with NSU. In 1985, with the Auto Union and NSU brands effectively dead, the company's official name was shortened to simply Audi AG and the company manufactured many different types of engines and cars in the following years. For 2011, Audi India will continue to expand its product lineup with the launch of its new Audi A8 L which will be followed by the new Audi A6 later in the year.

FIG. 2.15AUDI

Maruti Suzuki

Maruti Suzuki India Limited (MSIL) is primarily in the business of manufacture, purchase and sale of motor vehicles and spare parts (automobiles). The other activities of the Company consist of facilitation of pre-owned car sales, fleet management and car financing. The Company offers a range of cars across different segments. It offers 14 models with over 200 variants across the industry segments like Passenger cars, utility vehicles and vans. The Company has five plants in the Gurgaon and Manesar areas of Haryana equip Maruti Suzuki with a production capability of 1.55 million units per annum. The Company passenger car include Alto, Alto-K10, A-star, WagonR, Swift, Ritz and Estilo, off-roader Gypsy, SUV Grand Vitara, sedans SX4, Swift DZire and Kizashi. During the fiscal year ended March 31, 2012 (fiscal 2012), the Company sold over 1.13 million vehicles, including 127,379 units of exports. The Company is a subsidiary of Suzuki Motor Corporation.
AB Volvo is a Sweden-based supplier of commercial transport solutions providing products, such as trucks, buses, construction equipment, engines and drive systems for boats and industrial applications, industrial engines and systems, industrial information technology (IT) solutions, logistics solutions, aircraft engine components, as well as services and support, such as roadside assistance, fuel management and driver training. The Company also offers its customers financial solutions. The Company operates nine business segments, namely Volvo Trucks, Renault Trucks, North American Trucks, Trucks Asia, Buses, Construction Equipment, Volvo Penta, Volvo Aero and Customer Finance, and has five business units: Volvo Power train, Volvo 3P, Volvo IT, Volvo Logistics and Volvo Parts. The Company operates production facilities in 20 countries and sales facilities in more than 190 markets. It sells its products in Europe (39%), Asia (24%) and North America (19%).
REFERENCE


5. Vinodh” The customer opinion and preference towards different brands of petrol cars”- 1992.


42. Henry Ford and Mass Production” – History of Automobile industry – P2.