Marketing Strategies and Performance of Indian Automobile Industry: An Inter-firm Analysis

Abstract

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The main objectives of the study are to analyze the inter-firm analysis of growth, performance and marketing strategies of the automobile firms of Indian origin along with the automobile industry in India. To analyze the marketing strategies of the firms under study and their financial and non-financial performance, the study has used the primary as well as secondary data for the period of 1993-94 to 2012-13. The primary data has been collected through various publications of the Society of Indian Automobile Manufacturers, & center for Monitoring Indian Economy and various annual reports of the firms under study. To analyze the data, the tools like compound annual growth rate, non-linear regression model, linear regression model, capital productivity, labor productivity, capacity utilization, capital-labor ratio, financial ratios etc. have been used. It has been found that the growth rate of production and domestic sales of vehicles in Indian automobile industry have been as high as 11.70 percent and 10.79 percent respectively. Tata Motors has the highest production growth rate in passenger vehicle category while in the commercial vehicle category, Mahindra & Mahindra performs better. Moreover, Tata Motors has the highest market share in commercial vehicle segment and Maruti Suzuki has highest in the passenger vehicles. Financially, Maruti Suzuki is the strongest firm as compared to the other firms under study as the firm performs better in the seven financial ratios out of eleven ratios. Maruti Suzuki also has better product line in the passenger vehicles segment and Tata Motors in the commercial vehicles segment. The study gives certain specific recommendations for the firms under study.