

V M V V SANGHA'S



V M K S R VASTRAD ARTS SCIENCE
AND V S BELLIHAL COMMERCE
COLLEGE HUNGUND

Project report entitled

**" A PROJECT REPORT ON MARUTI
SUZUKI COMPANY LIMITED"**

UNDER GRADUATION OF BACHELOR OF COMMERCE

Submitted by

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CERTIFICATE

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Miss. Parvati Bevanoormath

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1. INTRODUCTION

Maruti Suzuki India Ltd. – Company Profile



Maruti Udyog Ltd. (old logo)



Maruti Suzuki India Ltd. (current logo)

Maruti Suzuki is one of the leading automobile manufacturers of India, and is the leader in the car segment both in terms of volume of vehicle sold and revenue earned. It was established in February, 1981 as Maruti Udyog Ltd. (MUL), but actual production started in 1983 with the Maruti 800 (based on the Suzuki Alto kei car of Japan), which was the only modern car available in India at that time. Previously, the Government of India held a 18.28% stake in the company, and 54.2% was held by Suzuki of Japan. However, in June 2003, the Government of India held an initial public offering of 25%. By May 10, 2007 sold off its complete share to Indian financial institutions.

Through 2004, Maruti Suzuki has produced over 5 million cars. Now, the company annually exports more than 50,000 cars and has an extremely large domestic market in India selling over 730,000 cars annually. The Maruti 800 remained the largest selling compact car of India till 2004 since its launch in 1983. More than a million units of this car have been sold worldwide so far. Currently, Maruti Suzuki Alto tops the sales charts and Maruti Suzuki Swift is the largest selling in A2 segment. More than half the cars sold in India are Maruti Suzuki cars. Maruti Suzukis are sold in India and several other countries, depending upon export orders. Models similar to Maruti Suzukis (but not manufactured by Maruti Udyog) are sold by Suzuki Motor Corporation and manufactured in Pakistan and other South Asian countries. During 2007-08, Maruti Suzuki sold 764,842 cars, of which 53,024 were

exported. In all, over six million Maruti Suzuki cars are on Indian roads since the first car was rolled out on 14 December 1983.

Maruti Suzuki has two state-of-the-art manufacturing facilities in India. The first facility is at Gurgaon spread over 300 acres and the other facility is at Manesar, spread over 600 acres in North India. The Gurgaon facility Maruti Suzuki's facility in Gurgaon houses three fully integrated plants. While the three plants have a total installed capacity of 350,000 cars per year, several productivity improvements or shop floor Kaizens over the years have enabled the company to manufacture nearly 700,000 cars/ annum at the Gurgaon facilities.

The entire facility is equipped with more than 150 robots, out of which 71 have been developed in-house. More than 50 per cent of our shop floor employees have been trained in Japan.

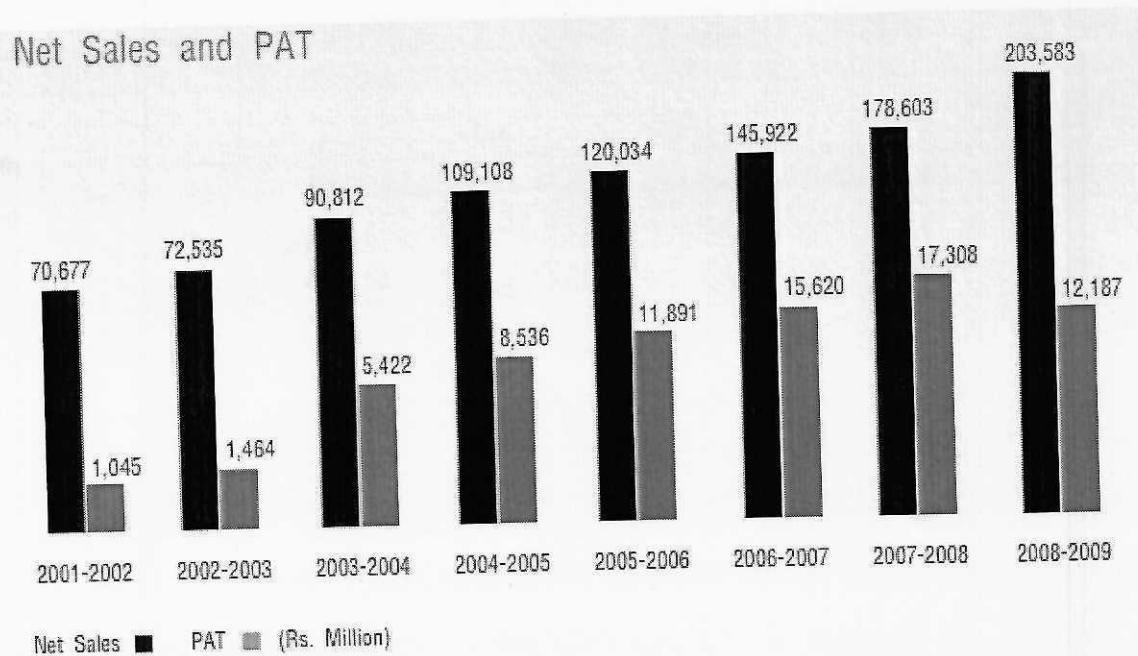
Gurgaon facility also houses 'K' Engine plant.

The 'K' family engine plant has an installed annual capacity of 240,000 engines and was commissioned in 2008. Spread over an area of 20,300 m², the 'K' family engine facility is part of the Rs 9,000 crore investment plan drawn by Maruti Suzuki and Suzuki Motor Corporation. The next generation 'K' engine like all Maruti Suzuki earlier technologies is highly fuel efficient, while offering the best in refinement and performance. It will take the engine technology to the next level in India. A-Star is the first car to be powered by 'K' family engine. The forthcoming models will be powered by other 'K' family engines.

At present the plant rolls out World Strategic Models Swift , A-star & SX4 and DZire. The plant has several in-built systems and mechanisms. There is a high degree of automation and robotic control in the press shop, weld shop and paint shop to carry on manufacturing work with acute precision and high quality.

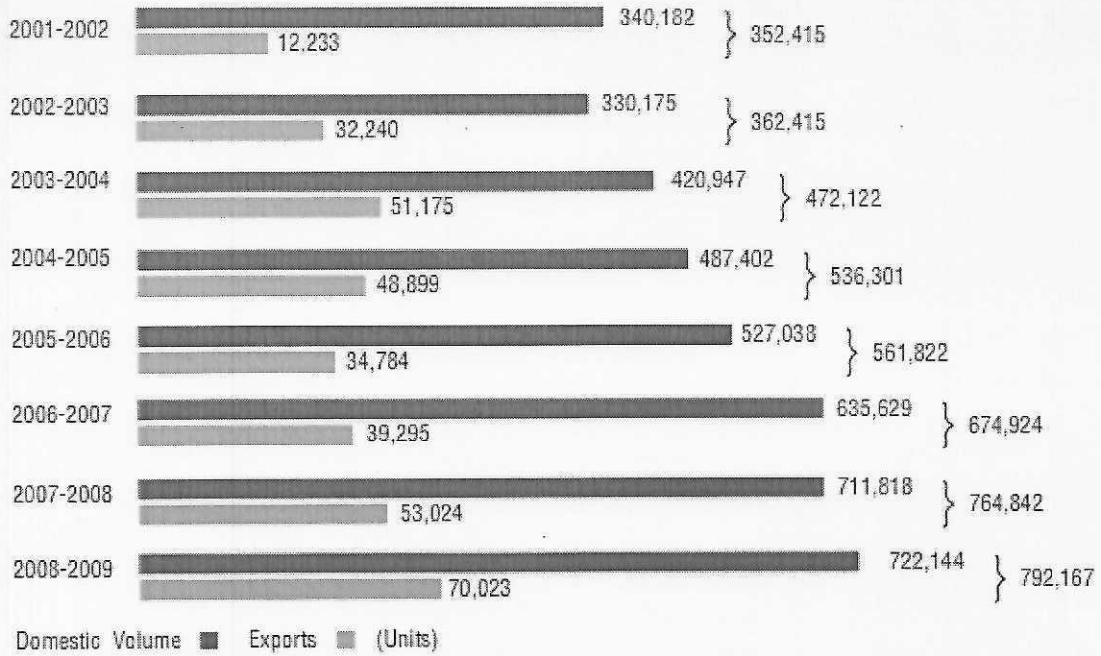
This facility has an initial capacity to manufacture 100,000 diesel engines a year. This will be scaled up to 300,000 engines/annum by 2010.

2. Company Performance at a Glance



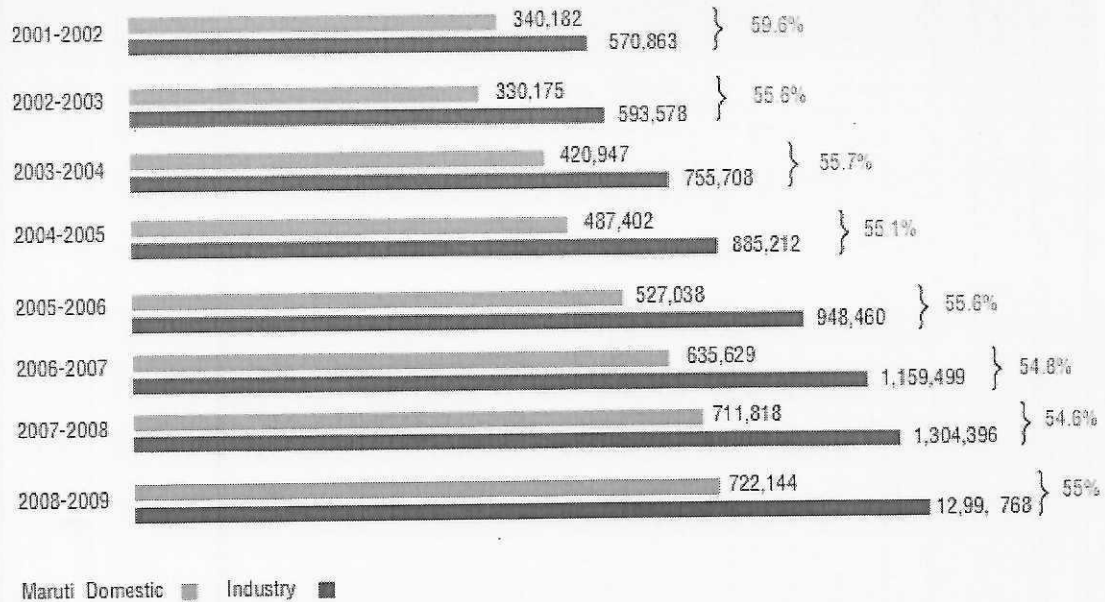
[Source: <http://www.marutisuzuki.com/company-at-a-glance.aspx>]

Sales Volumes



[Source: <http://www.marutisuzuki.com/company-at-a-glance.aspx>]

Market Share - Domestic Passenger Cars



[Source: <http://www.marutisuzuki.com/company-at-a-glance.aspx>]

3. Vision and Core Values SWOT of Maruti Suzuki

Vision

The leader in the Indian automobile industry, creating customer delight and shareholders' wealth; a pride for India.

Core values

- Customer Obsession
- Fast, Flexible and Fast Mover
- Innovation and Creativity
- Networking and partnership
- Openness and Learning

SWOT Analysis of MUL

Strength:

- Excellent image of MUL in compact car segment.
- Fewer Problem with the product compared to other brands.
- 681 State of Art showrooms across India.
- 2767 quality service station.
- Export facility at Mundra Port.
- Expertise in small car technology.
- Extensive product portfolio.
- Quality products.
- Extensive sales and service network Brand strength:
- Integrated manufacturing facility.
- Maruti Finance:
- Maruti Insurance:

Weakness:

- **Commodity Price Risk:** This risk relates to higher costs due to changes in prices of input such as Ferro-alloys and non Ferro-alloys, plastic and rubber which go into production of swift.
- **Export Rate Risk:** Risk due to fluctuations in foreign exchange rates of components, raw materials and vehicles.

Opportunities

- Increased spending by the consumers.
- Increased demand for compact cars in India as well as abroad.

Threats

- Threat from competitors like Toyota, Honda, Volswegan etc.
- Threats from commodity price and export rate fluctuations.

1. Some Important Milestones

- December 14, 1983 – First car, the 796 cc hatchback Maruti 800 launched
- 1984 – Maruti Omni van launched
- 1985 – Maruti Suzuki Gypsy launched
- 1990 – Three box 1000 cc car Maruti 1000 launched
- 1993 – Zen launched
- 1994 – Esteem 1.3 litre (1298 cc, three box car) launched
- 1997 – New Maruti 800 (796 cc, hatchback car) launched in Standard and Deluxe versions
- 1999 – Wagon R and Baleno launched
- 2000 – Alto launched
- 2001 – Versa launched
- 2002 – Alto Lxi – Spin launched, Wagon R Pride is launched, Esteem Diesel launched and all variants upgraded
- 2003 – The new Grand Vitara launched
- 2004 – Maruti Suzuki Swift launched
- 2006 – Zen Estilo and Swift D'zire launched
- 2007 - SX4 luxury Sedan launched with the tagline “Men are back”
- 2008 – MSIL launches fifth world strategic model A-Star
- 2009 – Maruti Suzuki launches Ritz

1. Current situation – Microenvironment

Political

- The 2% hike in the excise duty announced in the Union Budget 2010-11 may result in an increase in the prices of automobiles. The effect of this development could be insignificant for the A4 car segment.
- The increase in the fuel price proposed in the budget would increase the burden on the consumer but its impact on the A4 segment would be negligible.
- The increase in weighted deduction for in-house R&D to 200% from 150% and outsourced R&D from 125% to 175% would spur industry focus on innovation, R&D and product development that would increase the competitiveness of the industry longer term
- The broadening of the tax slabs would boost the disposable income in the hands of the middle class and is a positive sign creating a larger customer base for auto sector
- Allocation for road transport increased by over 13% from Rs 17,520 crore to Rs 19,894 crore will be a boost to the industry

Economic

- Indian economy is expected to grow at a rate of more than 6% this year
- The A4 segment is expected to grow annually at the rate of 30% per year for the next 5 years
- The upper middle class segment is expected to grow from 3% in 2010 to 12% in 2015
- The people who fall under “rich” segment is expected to grow from 1% in 2010 to 4% in 2015
- The Indian economy is expected to grow at more than 7% in the coming years after the present slowdown.

Social

- India is the 4th largest country by PPP index
- There is rapid growth in urbanization
- The mindset of the Indian consumer is changing. From wanting a compact family car they have started to aspire for semi luxury and luxury cars.
- Indian customers are highly discerning, educated and well informed. They are price sensitive and put a lot of emphasis on value for money

Technology

- With the flooding of global companies in the Indian market, advanced technologies, both in product and production processes have developed.
- With the development of alternate fuels, hybrid cars have made entry into the market.

1. Current Marketing Practice

Present product line of Maruti Suzuki India Limited

a. Price based classification

Segment A – cars priced lower than Rs. 300,000	800, Omni, Alto
Segment B – cars priced between Rs. 300,000 and Rs. 500,000	Estilo, A-start, Ritz, Swift , Wagon R
Segment C – cars priced between Rs. 500,000 and Rs. 1,000,000	Swift Dzire, SX4
Segment D – cars priced between Rs. 1,000,000 and Rs. 2,500,000	Grand Vitara(SUV)
Segment E – cars priced above Rs. 2,500,000	

[source: <http://www.marutisuzuki.com/>]

b. Length based classification

Segment A1 (Mini) – cars having a length up to 3,400mm	800
Segment A2 (Compact) – cars having a length of 3,401- 4,000mm	A-start, Alto, Ritz, Estilo, Wagon R, Swift
Segment A3 (Mid-size) – cars having a length of 4,001- 4,500mm	SX4, Swift Dzire
Segment A4 (Executive)– cars having a length of 4,501- 4,700mm	
Segment A5 (Premium) – cars having a length of 4,701- 5,000mm	
Segment A6 (Luxury) – cars having a length of more than 5,000mm	

[source: <http://www.marutisuzuki.com/>]

[To see details of the current product line of Maruti Suzuki see exhibit 1]

Maruti Suzuki uses a combination of “*Counteroffensive defence*” and “*Contraction defence*” to defend its market share. The Contraction defence strategy can be clearly seen in Maruti phasing out Maruti 800. As on 2010 Euro IV emission would come into place in India’s top 10 cities. Since the sale of this model was constantly on the decline, Maruti decided not to go for up gradation and modification. The more economically viable option was to phase out the car, a decision which would have no impact on the overall sales figures.

Pre liberalization Maruti Suzuki was the clear market leader in the passenger car segment in India. Post liberalization, when many foreign players started entering the market with cars which were superior to Maruti in all aspects, Maruti’s market share started to decline. To overcome this situation Maruti improved the technology used in its cars and came out with many new models. In its counteroffensive defence strategy, Maruti took the competition head on, launching a full frontal attack with its new models. This later on ensured that Maruti regained its position as the clear market leader in the passenger car segment in India.

Present situation

Maruti Suzuki is the market leader in the A2 and A3 segments. In the A2 segment Maruti has a market share of 53.3% and in the A3 segment it has a market share of 42.7%. Maruti is currently exiting the A1 segment by phasing out its 800 model. It wants to become a company which is capable of satisfying the needs of customers across segments (**Full market coverage, segment by segment invasion plan**). The next logical step that Maruti should take to achieve this objective is to enter into the A4 segment. Breaking into the segment may take time but with the high growth rates expected in this segment it is an opportunity that should not be wasted. Maruti Suzuki would be following a **product development strategy** where they would be introducing a new product into the existing market.

[Source: www.thehindubusinessline.com/iw/2009/09/13/stories/2009091350441100.htm]

1. A brief overview of competition and Market

The 4 main players in the A4 segment are

1. Toyota Corolla
2. Honda Civic
3. Skoda (Octavia + Laura)
4. Volkswagen Jetta

Chevrolet Cruz is a new entrant in the market

[for details various models see Exhibit 2]

- * Skoda include – Skoda Octavia and Skoda Laura

[Press releases from the individual organizations]

Projected annual growth rate of 30% for the next 5 years.

2009	2010	2011	2012	2013	2014	2015
20468	26609	34592	44970	58461	76000	98800

Toyota is the present market leader. The strategy it is adopting in this segment is a combination of position defence and Mobile defence. Toyota is building on its superior brand image and superior performance along with lower price to defend its market share. At the same time Toyota keeps on innovating its product to meet the ever changing needs of the customer.

Honda civic is the market challenger. Honda and Toyota are global rivals. In this segment both the companies have decided not to go for a full frontal attack. Both the Altis and the Civic appeal to different sections in a way. Their strategy has been such that they have emphasised that the Civic is youthful, while the Altis is mature. The Civic is sharp and designed to look quick and fast, while the Altis is rounded and has a majesty of bearing while on the move. The Civic breaks new ground when it comes to sedan design, while the Altis improves upon what already works. The Civic appeals to those with a sporty mindset, while the Altis is for whom such things usually don't matter. The Altis stole Civic's market share in this market, by emphasising on these aspects.

Competitive forces

A4 segment – determining the long run attractiveness of the market with the help of Porter's five forces.

1. Treat of intense segment rivalry – At the present moment there are only 4 players in the market and a new entrant. The target customers of this segment is growing rapidly in India and the size of the pie is increasing rapidly. Level of segment rivalry is relatively low at this point in time. The different players in the segment in a way are targeting different sets of people.
2. Threat of new entrants – With India being one of the fastest growing economies in the world, this would be the perfect market for various players to enter.
3. Threat of substitute products is low
4. Threat of buyers growing bargaining power is high as more and more players enter this segment
5. Threat of suppliers growing bargaining power is low

Income class	2010	2015
Upper Class Rs 42,000 – Rs 85,000**	3%*(34439877)	12%* (162000000)
Rich >Rs 85,000**	1%*(11479959)	4%*(54000000)

**Monthly disposable income

*% of total population

1. CDM Process for Cars in price range of 10-14 lacks

The consumer decision making process for cars in this segment is a very high involvement process because of the following reasons:

1. The cost of the product is high. Hence higher the importance of taking right decision.
2. People attach their self image with cars which they buy.
3. The decision will affect the consumers for a long duration.

Since, purchase of car is a high involvement decision it goes through all five stages of consumer decision making.

The various steps that define the consumer decision making process are:

1. **Problem Recognition:** This occurs when consumers see a significant difference between their ideal and actual state. They get the notion of ideal state because of various stimuli which can be either internal or external.
 - a. **Past Experience:** Consumer past experience has a significant effect on the car they will like to purchase. They may be unsatisfied with their present means of transport. There can also be a failure and lack of appeal for the existing car. The purchase decision is aimed at solving their past needs.
 - b. **Future Aspirations:** Consumers can have various future aspirations like status, comfort while driving, and driving a powerful car etc.

- c. **Peers:** Cars used by peers (friends and family members) and views of peers on cars significantly affect consumers.
- d. **Marketing:** The consumer can be attracted to various features of the car through advertising campaigns launched for the product. For cars advertisement shown on TV stimulates consumers the most.

1. **Information Search:** The second step to the consumer decision process is information search. Information search can be:

- a. **Internal search:** The consumer recalls information, experiences, and feelings concerning various cars within the price range they are looking at. The information that is recalled are:
 - i. Brands
 - ii. Attributes
 - iii. Experiences
- a. **External Search:** Consumer look for information from external sources like internet, retailers, peers, and various other sources of information like TV, magazines. The most frequently used sources of information for cars is firstly, various websites on which consumers can find detailed information about alternative cars and also compare various cars. Company's websites also provide detailed information about the cars they have in market. Secondly, consumer gather information directly from retailers.

1. Evaluation of Alternatives

During the information search and from past experience consumers gather various criteria to evaluate a car:

- a. Price
- b. Brand
- c. Maintenance Cost
- d. Comfort

- e. Ease of availability and quality of service
- f. Power
- g. Appearance
- h. Size
- i. Fuel-Efficiency

Consumers give more weight to the criteria that are important to them. For cars in D-segment various factors influence the criteria's for evaluating alternatives.

1. **Age:** Consumers within the age group of 18-35 prefers power, style and brand image in the given order. Consumer in the age bracket of 35 and above prefers comfort, brand image, appearance in the given order.
2. **Income:** Consumer buys a car that can be maintained and afforded with his/her respective income. Upper middle class (40,000 – 85,000) prefers cars with high fuel efficiency and lower maintenance cost. Rich consumers (income 85,000 and above) buys cars prefers powerful and stylish cars.
3. **Family:** Decision to buy a car gets involvement from the entire family. The weights given to above criteria also include preferences for spouse, parents and children of a consumer.
4. Other factors like **lifestyle and personality** of the consumer affect weights given to each of the above mentioned criteria.

In the evaluation stage, consumers select a few brands out of many brands available in the market.

1. **Purchase Decision:** In this stage consumer selects one brand of car out of a few brands of cars available in the market. The car that a consumer buys should rank best in his/her most preferred attribute or the consumer can buy a car which meets cut-offs in all the attributes.
2. **Post-purchase behavior:** Post-purchase behavior of consumers depends on whether he/she is satisfied or dissatisfied with the car. A satisfied consumer will say positive things about the car to others and is more likely to buy car of same brand in the future.

A dissatisfied consumer will say negative things, will never think of buying a car of the same brand and in extreme cases may take a public action against the brand.

1. **Market Segmentation**

Geographic	
Region	India

Demographic	
Age	18 years and above
Gender	Male & Female
Income	Upper class & Rich

Psychographic	
Socioeconomic Classification	A1, A2, B1, B2 (Exhibit 3)
Lifestyle	Succeeder - Strong goal orientation; confident; high work ethic; stability. Brand choice based on reward, prestige - the very best. Attracted to 'caring' and protective brands .

2. The product

Basic product

Car Body Type	Sedan
Engine type	Petrol , Diesel
No of doors	4
Displacement	2000cc
Cylinder	4
Transmission	Manual
Gears	6
Seating capacity	5
Colours	Metallic silver, Radiant white, Black pearl metallic

The car would come in both petrol and diesel. Both petrol and diesel would have 2 variants respectively.

Product augmentation

- Elegant interior
- High fuel efficiency
- Efficient utilization of space to give more seating comfort and more luggage space
- Superior engine performance
- Superior safety features – daytime running lights, anti locking braking system, electronic braking force distribution, tyre pressure monitoring system, traction control system, 6 air bags.
- 2767 service centers across India which ensures ease of service

1. PRICING

a. Pricing Objective: Maximum market share

Since MUL's vision is to be a leader in Indian automobile sector. Products launched by it are aimed at getting maximum market share in the long term in their respective segment. MUL follows a market-penetration pricing strategy to fulfil its objective.

b. Determining Demand:

The demand for cars in this segment will is expected to grow at 30% per year in India. The demand curve for cars is highly elastic since price in an important attribute and plays a major role in consumer decision making for cars and there is also a significant competition for cars in this segment. Pricing it above competitor's price will affect the sale significantly.

Estimated growth rate of sales in this segment = 30%

Sales in the year 2015 = 98800

Maruti's aim in next five years is gain a market share of 10%

Estimated sales for this car in 2015 = 10% of 98800 = 9880

Estimated growth rate for this car's sales over 5 years = 40%

So, Estimated sales of this car in the current year = 1837 units

$$(9880 = x(1 + .4)^5 \Rightarrow x = 1837)$$

c. Estimating Cost:

The number of units to be produced this year = 1837 units

Estimated Variable Cost = 1.75 lac per unit

Estimated Fixed Cost for the current year = 115 core

d. Analyzing Competitors':

- Points of parity with competitors
 - Style and Design.
 - Sedan in the price range of 10-14 lacs
- Point of Difference against competitors
 - Power.
 - Mileage
 - More seating comfort
 - More luggage space
 - Better distribution system
 - After sales support.

Competitors Price

Car Name	Lowest Price	Top Most Price
Chevrolet cruz	Rs. 11,56,129	Rs. 14,14,942
Toyota corolla altis 1.8 j	Rs. 10,23,750	Rs. 13,12,080
Honda civic	Rs. 12,47,000	Rs. 13,41,400

Skoda laura	Rs. 13,38,550	Rs. 14,66,065
Skoda octavia ambiente 1.8 turbo	Rs. 10,44,429	Rs. 13,21,763
Volkswagen	Rs. 13,19,209	Rs. 14,45,534

a. Selecting a Pricing Method:

The pricing method used will be *mark-up pricing*. This pricing method is in accordance with MUL's objective of maximizing its market share.

Estimated variable cost = 1.75 lac per unit

Estimated fixed cost = 115 crore

Expected unit sales = 2400 (for the current year)

Unit cost = variable cost + fixed cost / unit sales

$$= 1,75,000 + 1,15,00,00,000 / 1837$$

$$= 1,75,000 + 6,26,020$$

$$= 801000$$

Now,

Markup price = (unit cost) / (1-desired return on sales)

Desired return on sales = 20%

$$\text{Markup price} = 801000 / (1 - .2) = 10,01,275$$

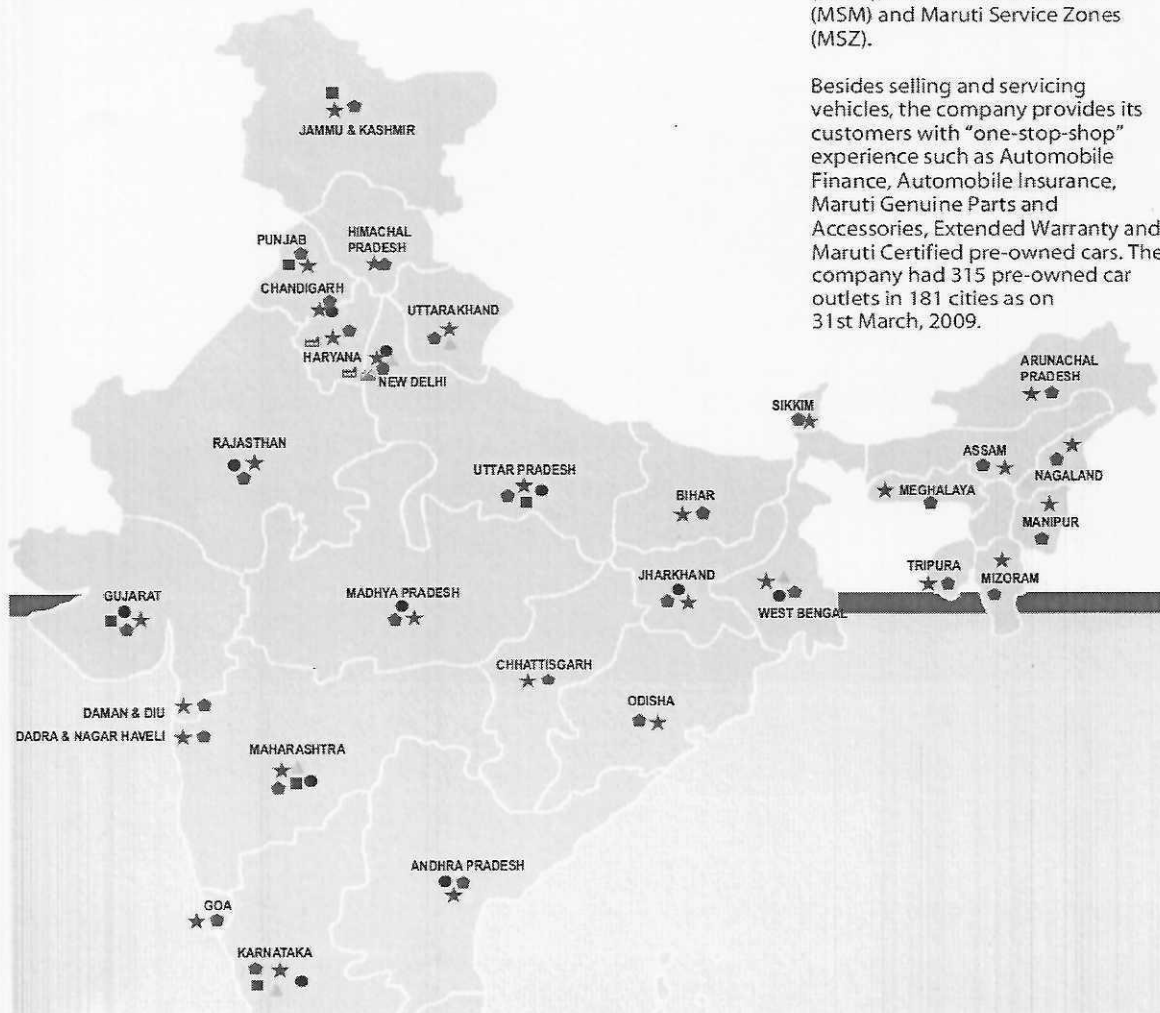
Is this price justified?

1. Price is justified on the basis of benefits it provides to the consumer. The following are the benefits that enhances *consumer perceived value*:
 1. Kizashi is high on functional and symbolic value because of its designing and styling, performance, higher power and various comfort and safety features. This provides consumers with *product benefits*.
 2. MUL provides excellent buying experience with much state of art showrooms. This provides consumers with *service benefits*.
 3. MUL provides excellent after sales servicing to the customers. This provides consumers with *service benefits*.
 4. MUL has an *excellent brand image* in compact car segment build over last three decades. This adds to consumer perceived value.
1. The pricing of Kizashi is consistent with MUL's objective of increasing its market share. With this objective company can't price it higher compared to the competitors. Since it will end up losing customers.
2. The price of Kizashi is also at par with the benefits it provides to the customers which is in accordance to MUL's brand image.
3. The price of the product is subject to fluctuation in price of raw materials and foreign exchange rates. Company has to charge for covering these risks.
4. The pricing of Kizashi is also consistent with MUL's objective of providing quality product at low cost and enhance customer satisfaction.

1. **Place**

ORGANSATIONAL PROFILE

2767 ● TOTAL SERVICE NETWORK	16 ● REGIONAL OFFICES
681 ★ TOTAL SALES NETWORK	09 ■ AREA OFFICES
🏢 DELHI CORPORATE OFFICE	04 ▲ ZONAL OFFICES
🏢 GURGAON PLANT MANESAR PLANT	



DOMESTIC SALES AND SERVICE NETWORK

The company has the largest sales and service network amongst car manufacturers in India. It had 681 sales outlets in 454 cities as on 31st March, 2009. The car park of the company is in excess of seven million vehicles and to service this car park, the company has 2,767 service workshops in 1,314 cities. The service network of Maruti Suzuki includes Dealer Workshops, Maruti Authorised Service Stations (MASSs), Maruti Service Masters (MSM) and Maruti Service Zones (MSZ).

Besides selling and servicing vehicles, the company provides its customers with "one-stop-shop" experience such as Automobile Finance, Automobile Insurance, Maruti Genuine Parts and Accessories, Extended Warranty and Maruti Certified pre-owned cars. The company had 315 pre-owned car outlets in 181 cities as on 31st March, 2009.

2. MUL financial stability

Financial Ratios of MUL compared with Toyota and Industry Average.

Ratio	Value			Interpretation
	Maruti	Toyato	Industry Average	
Current Ratio	1.51	1.2	1.0	High asset over liabilities compared to the industry.
Quick Ratio	1.26	1.1	0.8	High quick ratio compared to industry average and main competitor.
Debt Equity Ratio	0.07	1.24	1.13	Very low debt compared to Equity. Capable to launch a new product.

Since, Maruti has high ratio compared to industry average it is in better financial condition to launch this car in Indian market.

3. Communication strategy

Identifying the target audience

Based on the usage of the product we feel that Maruti Suzuki should target both current and new users in the segment.

Communication objectives

Based on *Rossiter and Percy* model, Maruti Suzuki's communication objective should be a mix of

- Brand Awareness - Ensure that the customer identifies the name "Kizashi" with the A4 segment cars in India so that it could lead to future purchase
- Brand Attitude - Ensure that the customer perceives that the brand would be able to satisfy his/her current relevant needs. The communication strategy should ensure there is an alignment between what the company is selling (an emotionally appealing sedan for active people) and what the customer perceives the product to be.

Communication design

1. Message strategy

The primary of Maruti Suzuki is to enter the A4 segment and in the long run be a car manufacturing company which can cater to the needs of the consumers in all the car segments. Emphasis should be given to both the parent brand Maruti Suzuki and the brand Kizashi. More emphasis should be given to the points of difference that Kizashi has over its competitors.

2. Creative Strategy

The creative strategy should be a combination of both **informational appeals and transformational appeals**. The company should communicate the benefits of the car such as power, speed and superior technology at the same time it should also communicate the kind of person who would use this car. (successful, professional, exciting)

3. Message Source

Communicating through unknown people would be the ideal strategy for this segment. The customer must be able to see him/herself in the shoes of the source. Communicating through a celebrity is not required.

Total communication budget

The total communication budget is calculated using **percentage of sales method**. Maruti spends 2% of its total sales on advertising. For Kizashi we propose that Maruti allocate 10% of the total expected sales in 2011 as the communication budget.

Estimated market share in 2011 = 1837 (5.3% of 34592)

Average price of car = Rs 1200000

Communication budget = 10%(average price of car*units sold) approximately Rs 200 million

Communication Mix

- Advertising
 - TV advertising – Ads should be played during prime time in English news channels, popular English TV serials. This is working on the assumption that the probability of the target customer viewing the ad is the highest during prime time. The ads should also be played during non prime time hours in the nation's top business channels. These ads should be more towards the transformational appeal of the customer
 - Print ads – Ads should be published in English news papers and popular English business and current affairs magazine. These ads should stress on the actual product benefits
 - Internet ads – Internet is a major source of information for the customer. The company needs to promote its car in various automobile websites and have a dedicated site for handling all the potential customers.
- Sales promotions
 - Contests games – The Company should sponsor certain contests in cricket or football shows. The contest should be in line with the image the brand wants to portray

- Premiums and gifts – All the purchases that happen in the 1st year should be accompanied with a gift basket. The contents of the gift basket should have some value to the potential buyer.
- Fairs and trade shows – This is something Kizashi has already done. It was showcased in the 2010 Auto expo in Delhi.
- Events & Experience
 - The calendar year is filled with sporting events such as IPL and the T 20 cricket world cup. Kizashi should sponsor the man of the series award in one of these events.

1. Contingency Plan

In the worst case scenario if this plan fails, exiting from the segment is not an option. Maruti's vision is to be a leader in the automobile industry and to be a major player in the industry it's crucial to enter the A4 segment. This is a segment where the size of the target customers are growing at a fast rate and at the same time the number of players catering to the needs of these consumers are relatively low. Hence if the present plan fails, Maruti should reposition Kizashi and try and break into the segment again.

Exhibit 1

MODEL	VERSION	BODY STYLE	DIMENSION (LxWxH)	MILEAGE	ENGINE	FUEL	TRANSMISSION	PRICE Delhi ex-showroom price
MARUTI 800	Maruti 800-Uniq	Hatchback	3335 x 1440 x 1403 mm	14.22 km/liter	796 CC	Petrol	N/A	Rs. 2,21,238
	Maruti 800 Std LPG	Hatchback	3335 x 1440 x 1405 mm	14.2 km/liter	796 CC	LPG	Manual	Rs. 2,00,030
	Maruti 800 AC LPG	Hatchback	3335 x 1440 x 1405 mm	14.2 km/liter	796 CC	LPG	Manual	Rs. 2,19,588
	Maruti 800 AC BSIII	Sedan	3335 x 1440 x 1405 mm	14.2 km/liter	796 CC	Petrol	Manual	Rs. 2,05,274
	Maruti 800 Std BSIII	Sedan	3335 x 1440 x 1405 mm	14.2 km/liter	796 CC	Petrol	Manual	Rs. 1,85,716
Maruti Estilo	Maruti Estilo VXi ABS	Hatchback	3600 x 1495 x 1595 mm	13.2 km/liter	998 CC	Petrol	Manual	Rs. 3,97,378
	Maruti Estilo VXi	Hatchback	3600 x 1495 x 1595 mm	13.2 km/liter	998 CC	Petrol	Manual	Rs. 3,68,378
	Maruti Estilo LXi	Hatchback	3600 x 1475 x 1595 mm	13.2 km/liter	1061 CC	Petrol	Manual	Rs. 3,42,378
	Maruti Estilo LX	Hatchback	3600 x 1475 x 1595 mm	13.2 km/liter	998 CC	Petrol	Manual	Rs. 3,13,135

Maruti Ritz	Maruti Ritz Vdi	Hatchback	3715 x 1680 x 1620 mm	14.4 km/liter	1248 CC	Diesel	Manual	Rs. 4,99,622
	Maruti Ritz Ldi	Hatchback	3715 x 1680 x 1620 mm	14.4 km/liter	1248 CC	Diesel	Manual	Rs. 4,65,622
			3715 x 1680 x 1620 mm	12.8 km/liter			Manual	Rs. 4,80,622
	Maruti Ritz Zxi	Sedan	3715 x 1680 x 1620 mm	12.8 km/liter	1197 CC	Petrol	Manual	Rs. 4,20,622
	Maruti Ritz Vxi	Hatchback	3715 x 1680 x 1620 mm	12.8 km/liter	1197 CC	Petrol	Manual	Rs. 3,90,622
Maruti A Star	Maruti A Star Zxi	Hatchback	3500 x 1600 x 1490 mm	13.8 km/liter	998 CC	Petrol	Manual	Rs. 4,07,507
	Maruti A Star Lxi	Hatchback	3500 x 1600 x 1490 mm	13.8 km/liter	998 CC	Petrol	Manual	Rs. 3,45,656
	Maruti A Star Vxi	Hatchback	3500 x 1600 x 1490 mm	13.8 km/liter	998 CC	Petrol	Manual	Rs. 3,72,641
Maruti Swift	Maruti Swift VDi BSIII W/ ABS	Hatchback	3760 x 1690 x 1530 mm	15.4 km/liter	1248 CC	Diesel	Manual	Rs. 5,26,648
	Maruti Swift ZXI BSIII	Hatchback	3760 x 1690 x 1530 mm	12.6 km/liter	1298 CC	Petrol	Manual	Rs. 5,15,823
			3760 x 1690 x 1530 mm	15.4 km/liter			Manual	Rs. 5,08,376
	Maruti Swift VDi BSII	Hatchback	3760 x 1690 x 1530 mm	15.4 km/liter	1248 CC	Diesel	Manual	Rs. 4,74,739
	Maruti Swift LDi BSIII	Hatchback	3760 x 1690 x 1530 mm	12.6 km/liter	1248 CC	Diesel	Manual	Rs. 4,56,520
	Maruti Swift VXI BSIII W/ ABS	Hatchback	3760 x 1690 x 1530 mm	12.36 km/liter	1298 CC	Petrol	Manual	Rs. 4,37,506
	Maruti Swift VXI BSIII	Hatchback			1298	Petrol		

		k			CC			
Maruti DZire	Maruti DZire ZDI	Sedan	4160 x 1690 x 1530 mm	14 km/liter	1248 CC	Diese l	Manual	Rs. 6,82,426
	Maruti DZire ZXI	Sedan	4160 x 1690 x 1530 mm	11.9 km/liter	1298 CC	Petrol	Manual	Rs. 6,08,570
		Sedan	4160 x 1690 x 1530 mm	14 km/liter	1248 CC	Diese l	Manual	Rs. 6,00,963
	Maruti DZire VDI	Sedan	4160 x 1690 x 1530 mm	11.9 km/liter	1298 CC	Petrol	Manual	Rs. 4,71,139
	Maruti DZire LXI							
Maruti Alto	Maruti Alto LXi	Hatchbac k	3495 x 1475 x 1460 mm	14.5 km/liter	796 CC	Petrol	Manual	Rs. 2,72,825
	Maruti Alto LX	Hatchbac k	3495 x 1475 x 1460 mm	14.5 km/liter	796 CC	Petrol	Manual	Rs. 2,55,640
	Maruti Alto Std	Hatchbac k	3495 x 1475 x 1460 mm	14.5 km/liter	796 CC	Petrol	Manual	Rs. 2,24,836
Maruti WagonR	Maruti WagonR AX BSIII	Hatchbac k	3520 x 1490 x 1690 mm	11.3 km/liter	1061 CC	Petrol	Automatic	Rs. 4,26,684
	Maruti WagonR VXI BSIII W/ ABS	Hatchbac k	3520 x 1490 x 1690 mm	12.9 km/liter	1061 CC	Petrol	Manual	Rs. 3,89,374
	Maruti WagonR LXI DUO BSIII	Hatchbac k	3520 x 1490 x 1660 mm	12.9 km/liter	1061 CC	LPG	Manual	Rs. 3,58,678
Maruti SX4	Maruti SX4 VXI	Sedan	4490 x 1735 x 1560 mm 4490 x 1735	10.7 km/liter	1586 CC	y Petrol	Manual	Rs. 6,46,126

Maruti SX4 Zxi MT Leather (BSIV)	Sedan	x 1570 mm	N/A	1586 CC	Petrol	Manual	Rs. 7,72,035
Maruti SX4 Zxi AT (BSIV)	Sedan	4490 x 1735 x 1570 mm	N/A	1586 cc CC	Petrol	Automatic	Rs. 8,03,512
Maruti SX4 Zxi AT Leather (BSIV)	Sedan	4490 x 1735 x 1570 mm	N/A	1586 cc CC	Petrol	Automatic	Rs. 8,37,035

SOURCES:

<http://www.gaadi.com/>

<http://www.carazoo.com/>

<http://www.cardekho.com/cars/Maruti>

<http://www.marutisuzuki.com/>

Air-Bags (Driver | Passenger)

Leather Seats

CD Player

Specs	Chevrolet Cruze LT	Chevrolet Cruze LTZ	Chevrolet Cruze LTZ AT
Overall Length (mm)	4597	4597	4597
Overall Width (mm)	1788	1788	1788
Overall Height (mm)	1477	1477	1477
Kerb Weight (kg)	1520	1520	1540
Mileage Overall (km/liter)			
Seating Capacity (person)	5	5	5
No of Doors	4	4	4
Displacement (cc)	1991	1991	1991
Power (PS@rpm)	150@4000	150@4000	150@4000
Torque (Nm@rpm)	327@2600	327@2600	327@2600
Transmission Type	Manual	Manual	Automatic
Gears	5	5	6
Minimum Turning Radius (meter)	5.4	5.4	5.4
Tyres	205 / 60 R 16	205 / 60 R 16	205 / 60 R 16

Toyota Corolla Altis

	Toyota Corolla Altis 1.8 J	Toyota Corolla Altis 1.8G	Toyota Corolla Altis 1.8G L	Toyota Corolla Altis 1.8V L
Price (Ex-Showroom Mumbai)		Rs. 10,23,750	Rs. 11,80,935	Rs. 13,12,080
Features				
Air Conditioner	✓	✓	✓	✓
Power Windows	✓	✓	✓	✓
Power Steering	✓	✓	✓	✓

Specs	Toyota Corolla Altis 1.8 J	Toyota Corolla Altis 1.8G	Toyota Corolla Altis 1.8G L
Anti-Lock Braking System			
Air-Bags (Driver Passenger)	✓ ✓	✓	✓ ✓
Leather Seats			
CD Player			
Overall Length (mm)	4540	4540	4540
Overall Width (mm)	1760	1760	1760
Overall Height (mm)	1480	1480	1480
Kerb Weight (kg)	1180	1200	1215
Mileage Overall (km/liter)	11.44	11.44	11.44
Seating Capacity (person)	5	5	5
No of Doors	4	4	4
Displacement (cc)	1794	1794	1794
Power (PS@rpm)	132@6000	132@6000	132@6000
Torque (Nm@rpm)	170@4200	170@4200	170@4200
Transmission Type	Manual	Manual	Manual
Gears	5	5	5
Minimum Turning Radius (meter)	5.3	5.3	5.3
Tyres	195/65 R15 Tubeless Radials	195/65 R15 Tubeless Radials	195/65 R15 Tubeless Radials

HONDA CIVIC

Features	Honda Civic 1.8S MT	Honda Civic 1.8V AT	Honda Civic 1.8V MT
	Rs. 12,47,000	Rs. 14,19,000	Rs. 13,41,400
Air Conditioner	✓	✓	✓
Power Windows			
Power Steering	✓	✓	✓
Anti-Lock Braking System	✓	✓	✓
Air-Bags (Driver Passenger)			
Leather Seats			
CD Player			
Specs	Honda Civic 1.8S MT	Honda Civic 1.8V AT	Honda Civic 1.8V MT
Overall Length (mm)	4545	4545	4545
Overall Width (mm)	1750	1750	1750
Overall Height (mm)	1450	1450	1450

Kerb Weight (kg)	1210	1240	1210
Mileage Overall (km/liter)	10.6	9.32	10.32
Seating Capacity (person)	5	5	5
No of Doors	4	4	4
Displacement (cc)	1799	1799	1799
Power (PS@rpm)	132@6300	132@6300	132@6300
Torque (Nm@rpm)	172@4300	172@4300	172@4300
Transmission Type	Manual	Automatic	Manual
Gears	5	5	5
Minimum Turning Radius (meter)	5.4	5.4	5.4
Tyres	195/65 R15 (tubeless)	195/65 R15 (tubeless)	195/65 R15 (tubeless)

SKODA Laura

	Skoda Laura 2009 1.8 TSI Ambiente	Skoda Laura 2009 1.9 TDI AT Ambiente
Price	Rs. 13,38,550	Rs. 14,66,065
Features		
Air Conditioner	✓	✓
Power Windows	✓	✓
Power Steering	✓	✓
Anti-Lock Braking System		
Air-Bags (Driver Passenger)		
Leather Seats	✓	✓
CD Player	✓	✓

Specs	Skoda Laura 2009 1.8 TSI Ambiente	Skoda Laura 2009 1.9 TDI AT Ambiente
Overall Length (mm)	4569	4569
Overall Width (mm)	1769	1769
Overall Height (mm)	1485	1485
Kerb Weight (kg)	1305	1335
Mileage Overall (km/liter)	8.8	12.66
Seating Capacity (person)	5	5
No of Doors	5	5
Displacement (cc)	1798	1896
Power (PS@rpm)	160@4500	105@4000
Torque (Nm@rpm)	250@1500	250@1900
Transmission Type	Manual	Automatic
Gears	6	6
Minimum Turning Radius (meter)	5.1	5.1
Tyres	195/65 R15	195/65 R15

Skoda Octavia

Skoda Octavia Ambiente 1.8 Turbo	Skoda Octavia Ambiente 1.9 TDi	Skoda Octavia Elegance Plus 1.9 TDi	
Price	Rs. 10,44,429	Rs. 11,56,817	Rs. 13,21,763
Features	<div style="border: 1px solid black; padding: 2px;"> ✔ ✔ </div>		<div style="border: 1px solid black; padding: 2px;"> ✔ </div>
Air Conditioner			
Power Windows			
Power Steering			
Anti-Lock Braking System	✔	✔	✔
Air-Bags (Driver Passenger)	✔ ✔	✔ ✔	✔ ✔
Leather Seats	✔	✔	
CD Player			
Specs	Skoda Octavia Ambiente 1.8 Turbo	Skoda Octavia Ambiente 1.9 TDi	Skoda Octavia Elegance Plus 1.9 TDi
Overall Length (mm)	4507	4507	4507
Overall Width (mm)	1731	1731	1731
Overall Height (mm)	1455	1455	1455

Kerb Weight (kg)	1260	1270	1270
Mileage Overall (km/liter)	8.94	13.94	
Seating Capacity (person)	5	5	5
No of Doors	5	5	5
Displacement (cc)	1781	1896	1896
Power (PS@rpm)	150@5700	90@4000	90@4000
Torque (Nm@rpm)	210@1750	210@1900	210@1900
Transmission Type	Manual	Manual	Manual
Gears	5	5	5
Minimum Turning Radius (meter)	5.4	5.4	5.4
Tyres	195/65 R 15	195/65 R 15	195/65 R 15

Volkswagen



	Volkswagen Jetta 1.6 Trendline	Volkswagen Jetta TDI 1.9 Comfortline	Volkswagen Jetta TDI 1.9 Trendline
Price (Ex-Showroom Mumbai)	Rs. 13,19,209	Rs. 16,94,042	Rs. 14,45,534
Features	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Air Conditioner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Power Windows	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Power Steering	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Anti-Lock Braking System	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Air-Bags (Driver Passenger)			
Leather Seats		-	
CD Player			
Specs	Volkswagen Jetta 1.6 Trendline	Volkswagen Jetta TDI 1.9 Comfortline	Volkswagen Jetta TDI 1.9 Trendline
Overall Length (mm)	4554	4554	4554
Overall Width (mm)	1781	1781	1781
Overall Height (mm)	1459	1495	1495
Kerb Weight (kg)	1343	1459	1420
Mileage Overall (km/liter)	10.3	12.8	12.8
Seating Capacity (person)	5	5	5
No of Doors	4	4	4

Exhibit 3

Occupation	Education			
	SSC/HSC	SSC/HSC Non- Graduate	Graduate/Post Graduate (General)	Graduate/Post Graduate (Professional)
Shop Owners	B2	B1	A2	A2
Employees:None	B1	A2	A2	A1
Employees:1-10	B1	A2	A1	A1
Employees:10+	A2	A1	A1	A1
Self Employed Professional	B2	B1	A2	A1
Clerical/Salesman		B2	B1	B1
Supervisory Level		B2	B1	A2
Officers/Executive	B2	B1	A2	A2
Junior officers/Executive- Middle Seniors	B1	A2	A1	A1

		Exhibit 4		Reasons
		<i>Performance</i>	<i>Weakness</i>	
Marketing				
	<i>Strengths</i>			
1	Reputation	yes		MUL being the market leader in India has build a strong reputation over the years with quality product and services.
2	Market Share		Yes	Currently Maruti has zero market share in D segment for cars. But overall its market share in India is above 50%
3	Customer Satisfaction	yes		It has been rated first in customer satisfaction among all car makers in India from 1999 to 2009 by J D Power Asia Pacific
5	Product Quality	Yes		ISO 9001:2000 Certified, International Quality Standards followed by Suzuki
6	Service Quality	yes		Most extensive service network, present in 1036 cities across India.
7	Pricing Effectiveness	Yes		Mark-up pricing (Suits with overall company strategy of being a market leader)
8	Distribution Effectiveness	Yes		Extensive sales network (307 State of Art showrooms across 189 cities in India)
10	Sales force effectiveness	Yes		Huge sales force network all over India.
11	Innovation effectiveness	Yes		The K design engines
12	Geographical effectiveness	yes		Maruti service centers are present in 1036 cities across India and showrooms in 189 cities. Yearly it exports above 50,000 cars on an average.
Finance				
1	Cost or availability of capital	Yes		Low debt equity ratio and high current ratio compared to industry average
2	cash flow	Yes		High cash flows from operating activities
3	Financial stability	Yes		A cash cow in cars market
Manufacturing				
1	Facilities	Yes		Manufacturing facilities available in Gurgaon and Manesar.
2	Economics of Scale	Yes		Leader in mass production of cars.
3	Capacity	Yes		Combined capacity of 700,000 cars annually in both the locations
6	Technical Manufacturing Skill	Yes		MUL technical superiority lies in its ability to pack power and performance into a compact, lightweight engine that is clean and fuel efficient.
7	Fluctuation in Various prices		Yes	Commodity Price Risk (Risk due to change in price of inputs) and Export Rate Risk (Risk due to fluctuations in foreign exchange rates of components, raw materials and vehicles)
8	Export Facility	Yes		Export facility at Mundra Port.