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| SUBMITTED TO:- Prof. Neelam Tandon |



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| MARKETING RESEARCH | PRE LAUNCHING MARKET RESEARCH REPORT FOR A SOLAR CAR  |

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 **Executive Summary**

This marketing research report comprises of various information which I have been collected from primary as well secondary sources. I have prepared this market research report on a solar car which our company is planning to introduce in the market very soon while preparing this report I have been used many data collection method such as survey, questionnaire, observation, interview. The aim behind this research was to understand the customer segment (who all are the prospects for this car), customer behavior towards this particular car (whether they like this or ignore it), evaluating the automobile market in terms of its yearly growth, unit sales, revenue, number of players exist in the market, & their core competencies & product differentiation strategy.

With the help of this research our company would get some valuable information, which we required at this pre launch stage so we can analyze the information & we will also try to implement the same thing which our competitors are following

The Segmentation chapter covers the following: Products and Service Segmentation, Major Market Segments, Industry Concentration and Geographic Spread. The Products and Service Segmentation section details the key products and/or services provided by this industry, highlighting the most important where possible to demonstrate which have a more significant influence over industry results as a whole. The Major Market Segments section details the key client industries and/or groups as well as giving an indication as to which of these are the most important to the industry. The Industry Concentration section provides an indicator of how much industry revenue is accounted for by the top four players. The Geographic Spread section provides a guide to the regional share of industry revenue/gross product.

There are some other topics such as competitors strength, weakness, opportunity, threats & marketing mix some strategies which our company has to follow for capturing the market are also given in this report

 **Introduction and Back ground**

**ABOUT THE COMPANY:-**

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REVA Electric Car Company Private Ltd. (RECC), based in Bangalore, India, was established in 1994 as a joint venture between the Maini Group India and AEV LLC, California USA, to manufacture environment-friendly and cost-effective electric vehicles. Seven years of R&D earned the RECC recognition in the form of 10 patents and a globally accepted product. REVA, India's first zero polluting Electric Vehicle for city mobility, was commercialized in June 2001.

The success of commercializing REVA at affordable prices stems from the support it has received from The Maini Group. The Group has been committed to producing zero-pollution transportation equipment and automotive components since 1984. RECC is guided by the "zero principle” of the Maini Group. Zero defects, zero time delays, zero inefficiencies and zero pollution. This is achieved through Zero Wastage and Zero Compromises.

The vision of RECC is to establish a tradition of excellence and leadership in environment friendly urban transportation by offering the best value and highest quality electric vehicles for city mobility.

**MODELS IN THE MARKET**

* REWA STANDARD
* REWA A/C
* REWA CLASSE
* REWA SPECIAL EDITION

**ACHIEVEMENTS**

-MS SWAMI NATHAN AWARD: 2001
-THOMAS ALVA EDISON AWARD FOR INNOVATION :2002 -GOLDEN PEACOCK AWARD: 2003
-SESI BUSINESS LEADERSHIP AWARD (ELECTRIC VEHICLES):2004
-MONTE CARLO SUSTAINABLE MOBILITY AWARD: 2005
-MOST ETHICAL CAR AWARD IN UK: 2005
-THE BEST TRUE VALUE CAR-REVA: 2004
-BUSINESSWORLD-NID DESIGN EXCELLECE AWARD – 2005 :

**ABOUT OUR PRODUCT (REWA STAR ) SOLAR CAR**

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This Solar cars combine technology typically used in the [aerospace](http://en.wikipedia.org/wiki/Aerospace), [bicycle](http://en.wikipedia.org/wiki/Bicycle), [alternative energy](http://en.wikipedia.org/wiki/Alternative_energy) and [automotive](http://en.wikipedia.org/wiki/Automotive) industries. The design of a solar vehicle is severely limited by the energy input into the car (batteries and power from the sun).

This car will have the capacity of two person & it will be coming in different models such as non a/c, with a/c

Solar cars depend on PV cells to convert sunlight into electricity. While the sun emmits 1370 +/-3.4% watts per square meter of energy, 51% of it actually enters the earth's atmosphere and therefore approximately 700 watts per square meter of clean energy can be obtained. [[1]](http://en.wikipedia.org/wiki/Solar_vehicle#cite_note-0)Unlike solar thermal energy which converts solar energy to heat for either household purposes, industrial purposes or to be converted to electricity, PV cells directly convert sunlight into electricity. [[2]](http://en.wikipedia.org/wiki/Solar_vehicle#cite_note-1)When sunlight (photons) strike PV cells, they excite electrons and allow them to flow, creating an electrical current. PV cells are made of semiconductor materials such as silicon and alloys of indium, gallium and nitrogen. Silicon is the most common material used and has an efficiency of 15-20%.

 **Marketing Research Proposal**

1. FORMULATE DECISION PROBLEM & DECISION ALTERNATE:-

Our product is a new concept car in its market, first time in india it would be our company which is planning to introduce solar car. For this we have to collect information related to several aspects . As we all know that the first step in every marketing research is to define the problem & for this we must be clear with our research objective for which we are doing this project & objectives are given below.

1. To understand the consumer segment
2. To analyze the automobile market
3. Core competencies of the competitors
4. To understand the market size for our product

Our research is based on these objective so I have kept all these objectives in my mind while collecting the data.

**DECISION ALTERNATIVE:-**

In decision alternatives all those source comes which helps us in reaching to a right conclusion for a given particular problem.

**Research objectives**

The objective of this research study are given below

* To understand the consumer segment
* To analyze the automobile market
* To evaluate the core competencies of the competitors
* To understand the market size for our product
* To forecast the future of our product

**Information needed**:-

In this research we require different type of information from the different sources as we know that our product is the first product in its market so we need to collect more specific information. The success & failure of any product in its market does depend upon the information which the researcher collects while preparing the research report.

Information must be collected

**Automobile market**:- in the initial stages we should collect the information from the appropriate market such as size of the market in terms of rupees, number of vehicle per year sold, revenue generated per year.

**Competitors**:- in automobile market there are many players & before entering in a new market it is necessary to understand the market in term of the competitors & their core competencies. such as their leadership in the market, models, technology, dealer network. Because this information help us to fulfill our gap such as technology, models.

**Consumer segment:-** consumer segment comprises the appropriate customer for our product or we can say prospect. This is one of the important objective of our research because the information which we collect about segment helps us in understanding & identifying our customers.

**Benefits of this research to our clients:-**

Research is one of the way to understand & evaluate the market by collecting the primary & secondary information as we all know the some where research helps to our client means they are the one who gets the benefit from this type of research. When research is completed than company gets valuable information about the product & this information can be either positive influence Or negative influence its upto company that how it changes the negative influence by adding some more features to the same product or fulfilling the gap which required after analyzing the market & convert it into the positive influence**.**

Client is the one for whom company wants to provide the maximum satisfaction always try to provide more than his/her perceived satisfaction & research is the way through which company can understand the customer in better way.

After conducting this research we have got the information which we required here in this research project every questionnaire helped me lot in solving & understanding one particular problem.

1. **Qualititative research report:-**

In marketing research qualititave research mean an unstructured ,exploratory research methodology based on small samples that provides insight & understanding of the problem setting.this whole reserch has conducted by using this research technique.

**METHODOLOGY**:- in this research report there are many methods which I have been used to collect the data such as primary data collection method same as secondary data collection method & the last one the survey method. Methods are nothing these are the way which helps us in collecting the right information about the particular problem.

This research was conducted by collecting the information from the participants.

**TARGET POPULATION**:- the population of middle level whose earning is not more than 4,00,000 per annum & coolected the data from more than 100 respondents .

**Results:-**

This reserch has been done successfully because the results trough which we can draw some decision that makes it successful.

In middle level, people don’t want to buy a car which has worth of more than 3,00,000 & people thinks that maruti is most trusted brand amongs the other brand.

They like to see the advertisements on tv that why they said that tv ads are most infulencive way to attract people.

If the car is fuel efficient means it is also one of the factor which these people considers while buying a car.

**SURVEY METHOD**

**QUESTIONNAIRS**

**Q.1** In automobile sectors which company’s car you prefer to buy?

1. Maruti Suzuki
2. Hyundai
3. Tata
4. Mahindra & Mahindra
5. Honda
6. Others

 **Q.2** How much money you want to spend to buy a car ?

* 2,00,000-3,00,000
* 3,00,000-4,00,000
* 4,50,000-5,50,000
* More than 5,50,000

**Q.3** What factor you consider most while buying a car?

 +4 +4 +4 +4

 +3 +3 +3 +3

 +2 +2 +2 +2

+1 +1 +1 +1

 **Price Fuel efficient maintenance stylish**

 -1 -1 -1 -1

 -2 -2 -2 -2

 -3 -3 -3 -3

 -4 -4 -4 -4

**Q.4** Do you ever think about the solar car ?

 **Never** 1 2 3 4 5 6 7 **Yes**

**Q.5** If any company launches its solar car in the market so as per your view what should be the price of that car ?

 **-**2,00,000-3,00,000

 **-**3,00,000-4,00,000

More than this

**Q.6** Solar cars can be the future of modern india?

* **. . . .**

Strongly agree neither agree disagree strongly agree nor disagree disagree

**Q.7** What kind of car you prefer to buy?

 **-**First hand(brand new)

 -Second hand

**Q.8** What is the most influencable way to attract people towards the product?

 **-**Print media

 -Online advertisements

 -TV

 -Radio

 -Other source

**Q.9** In lower car segment in the range upto 4,00,000 which brand you like most ?

 - Maruti Suzuki

 - Hyundai

 - Tata

**Q.10** Do you think that technology up gradation is good thing in automobile segment?

* **. . . .**

Strongly agree neither agree disagree strongly agree nor disagree disagree

**Q.11** Do you think that car manufacturers should also introduce the tailor made car concept?

* **. . . .**

Strongly agree neither agree disagree strongly agree nor disagree disagree

**Results**

 Survey instruments

**Sampling frame**:-

As we all know that sampling frame refers to a representation of the elements of the target population. In this research I have used telephone directory, some of my personal contacts & other sources such as internet.

**Sampling method being used**

In this research I have been used two kind of sampling.

1.Probabality

2.Non-probablity

**Probablity**:- in this category of sampling method each element of poulation has a fixed probablistic chance of being selected for the sample.further it has been divided in to four parts.

**Non-probablity**:- this includes an initial group of respondents is selected randomly & subsequent respondents are selected based on the refferral or information provided by the initial respondents.

**Method of survey**

**This research has based on two type of survey such as**

1.Telephonic:- in this I have talked to 20-40 people across the cell phone & received their response regarding the question.

2. Personal Interviewing:- Collected the responces of people by discussing the questionnaire by meeting them face to face at their offices home & other locations

The

 Final

 Report

 **Overview of Indian automobile industry**

The industry is estimated to be a US$ 34 billion industry with exports contributing 5 per cent of the revenues. Moreover, India provides trained manpower at competitive costs making India a favoured global manufacturing hub. The Indian automobile industry is going through a technological change where each firm is engaged in changing its processes and technologies to maintain the competitive advantage and provide customers with the optimized products and services. The **de-licensing of the sector in 1991** and the subsequent **opening up of 100 per cent foreign direct investment (FDI)** **through the automatic route marked the beginning of a new era for the Indian automotive industry**. Since then almost all the global major automobile players have set up their facilities in India taking the level of production of vehicles from 2 million in 1991 to **10.83 million in 2007–08.**

**History & evaluation of the industry**

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| --- | --- | --- |
|  Pre 1983 |  1983-1993 |  1993-2007 |
| • Closed market• Growth of market limited by supply• Outdated models**Players**• Hindustan Motors• Premier• Telco• Ashok Leyland• Mahindra & Mahindra | • Suzuki, Japan and GOI joint venture to form Maruti Udyog• Joint ventures with companies in commercial vehicles and components**Players**• Maruti Udyog• Hindustan Motors• Premier• Telco• Ashok Leyland | • De-licensing of the sector in 1993• Global major OEMs start assembly in India(GM, Ford, Honda, Hyundai, etc.)• Imports allowed from April 2001; alignmentof duty on components and parts to ASEANlevels• Implementation of VAT |

**How india has been portrait itself as favourite destination for automobile companies.**

**PRODUCTION: INDIA AS THE MANUFACTURING HUB**

India with its rapidly growing middle class, market-oriented stable economy, availability of trained manpower at competitive cost, fairly well-developed credit and financing facilities and local availability of almost all the raw materials at a competitive cost has emerged as one of the favourite investment destinations for the automotive manufacturers.

* Hyundai has made India its global hub for manufacturing small cars. It will invest US$ 1 billion in its second plant in Chennai by 2013. In addition, it is also investing US$ 40 million in its R&D facility in Hyderabad.
* General Motors has so far invested about US$ 1 billion into its Indian operations. It has already started production of its small car, Spark in its new Talegaon factory in Maharashtra, which has been set up with an investment of US$ 300 million.
* Mercedes-Benz will invest about US$ 64. 21 million in its plant at Chakan near Pune, which would begin operations in February-March next year. The plant would have a production capacity of 2,500 trucks and buses and 10,000 cars over two shifts per year.
* Renault has entered into 50:50 joint ventures with Nissan Motors and together they have set up a manufacturing facility near Chennai at a cost of US$ 901.35 million to deliver 400,000 cars annually.
* Skoda Auto plans to make India its regional manufacturing hub. It will start producing cars in India by 2010 with a manufacturing target of 50,000 units. Besides the domestic market, these will also be exported to neighbouring countries like Nepal, Sri Lanka, Burma and Bangladesh.

**DOMESTIC MARKET**

* According to the Society of Indian Automobile Manufacturers (SIAM), the Indian auto industry recorded a production growth of 8.39 per cent during the current fiscal year till October 2008, over the same period in the previous fiscal.
* **SALES**

The growth of the passenger vehicles segment during April–October 2008 was 4.87 per cent over the same period, the previous year. Passenger cars grew by 3.51 per cent, utility vehicles by 6.33 per cent and multi-purpose vehicles by 18.15 per cent in this period. However, cumulative sales of commercial vehicles segment registered a decline during the period. The segment registered a decline of 2.97 per cent during April–October 2008 as compared to the same period last year.

 **EXPORTS**

* In terms of manufacturing excellence and availability of low-cost quality components as well as a fast expanding domestic market, India is all set to become the global export hub of the automobile industry. The exports markets have helped carmakers such as Maruti Suzuki and Hyundai Motor India post greater sales overseas than in the domestic market.
* According to the figures released by SIAM, the period from April–October 2008 saw **automobile exports registering a growth of 29.36 per cent.**
* As the world moves away from big cars to smaller makes, owing to high fuel costs and general recessionary trends, the small car advantage presents a huge business opportunity for car makers in India. The Indian car market accounts for 71 per cent of small cars, while in China it accounts for 33 per cent.

**Bench mark**



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 **PLAYERS IN INDIAN AUTO INDUSTRY**

|  |  |
| --- | --- |
| **Manufacturer** | **Segments** |
| Ashok Leyland | LCVs, M&HCVs, Buses |
| Asian Motor Works  | M&HCVs |
| Atul Auto  | Three wheelers |
| Bajaj Auto  | Two and Three Wheelers |
| BMW India | Cars and MUVs |
| Daimler Chrysler India | Cars |
| Eicher Motors | LCVs, M&HCVs, Buses  |
| Electrotherm India Electric | Two Wheelers |
| Fiat India | Cars |
| Force Motors  | Three Wheelers, MUVs and LCVs |
| Ford India  | Cars and MUVs |
| General Motors India  | Cars & MUVs |
| Hero Honda Motors | Two Wheelers |
| Hindustan Motors  | Cars, MUVs and LCVs |
| Honda  | Two Wheelers, Cars and MUVs |
| Hyundai  | Motors Cars and MUVs |
| Kinetic Motor | Two Wheelers |
| Mahindra & Mahindra | Three Wheelers, Cars, MUVs, LCVs |
| Majestic Auto  | Three Wheelers |
| Maruti Suzuki  | Cars, MUVs |
| Piaggio  | Three Wheelers, LCVs |
| Reva Electric Car Co.  | Electric Cars |
| Royal Enfield Motors  | Two Wheelers |
| Scooters India  | Three Wheelers |
| Skoda Auto India  | Cars |
| Suzuki Motorcycles | Two Wheelers |
| Swaraj Mazda Ltd.  | LCVs, M&HCVSs, Buses |
| Tata Motors  | Cars, MUVs, LCVs, M&HCVs, Buses |
| Tatra Vectra Motors  | M&HCVs |
| Toyota Kirloskar | Cars, MUVs |
| TVS Motor Co.  | Two Wheelers |
| Volvo India | M&HCVs, Buses |
| REWA ELECT. CAR CORP | CARS |
| Yamaha Motor India | Two Wheelers |
| Volksvegan moters ltd | Cars,suv |

 **MARKET RESEARCH**

**Market research** often refers to either primary or secondary research. Secondary research involves a company using information compiled from various sources, which is about a new or existing product.. Primary market research involves qualitative research (such as focus groups or one-on-one interviews) and quantitative research (such as surveys) as well as field tests or observations conducted for or tailored specifically to that product. Primary research, which is also called field research or original research, is useful for finding new information and getting customers' views on products.

**The Marketing Environment**

Marketing environment consists of the actors and forces outside marketing that affect marketing management’s ability to build and maintain successful relationships with target customers. The marketing environment offers both opportunities and threats. The environment continues to change rapidly. The marketing environment is made up of Micro-environment and Macro-environment.

 The **Micro environment** consists of the actors close to the company that affect its ability to serve its customers. These actors are: the company, suppliers, marketing intermediaries, customer markets, competitors and publics.

 The **Macro environment** consists of the larger societal forces that affect the microenvironment. These forces are: demographic, economic, natural, technological, political and cultural forces.

**THE DEMOGRAPHIC ENVIRONMENT**

The demographic position will be on the United States. Since, the target market is for the middle class; it will provide a boost for the 32% of the total population. This product will produce a superior value to customers who always value the brand. Also, it will keep the popularity of the product at their trend. In this case, more and more customers will be able to keep this product if it satisfies their condition. Additionally, the middle class group will be loyal to this product brand and as generation goes by; this product will be there forever. On the other hand, this product is also designed for students, and working class people. This is due to the fancy and environmental design.

Students will be so grateful to have fancy car while the working class group will tend to afford such an affordable environmental car design.

**THE NATURAL ENVIRONMENT**

This product is basically designed to reduce the carbon emission from fuels and help to preserve our environment. It is very important to design such car to help decrease the rate of carbon dioxide from the air and provide a better condition to tackle global warming. This car will provide a boost to the natural environment because it is safer and has an image to be friendlier to the environment itself. In this case, more and more people will tend to buy such car to protect the environment by reducing the carbon emission to the air.

**THE ECONOMICAL ENVIRONMENT**

The world is facing a shortage of fuel and it has become an economical crisis to everycountry. This is evidence as the price of fuel is increasing and the probability of the price of a barrel to increase at any day is very high. Therefore, this product will help customers to save money because it consumes less fuel. The fuel consumption is one of the best criteria based on this product. On the other hand, customers will be able to satisfy with this kind of product because it is not too expensive and everybody has the privilege to afford one. This product will satisfy the superior value of all different customers since it has a very good design to solve to fuel shortage, less expensive, and can be affordable to anyone.

**THE TECHNOLOGICAL ENVIRONMENT**

The fastest growing of information technology helps this product to be at its best. Its design is basically provided with the help of information technology. Looking at its design, this product benefits a lot from the technological sectors. This proves that this product is favourable to the environment. Also, this product can be modified or even upgraded to the standard where it will be suitable at any environmental condition. The Information technology is very effective in letting this product to be very efficient. In this case, it helps customers to satisfy this kind of product in this technological environment.

**THE SOCIAL AND CULTURAL ENVIRONMENT**

It is believed that protecting the environment is a great concern. Therefore, this product is purposely designed to be environmentally friendly. As a result, most people in the United States and elsewhere are willing to offer such kind of product to save the environment. If more and more people are keen to buy such kind of product then the environment would be safe at any cost. Consequently, people will be more supportive to save what is best for the communities and the environment.

**Segmentation**

A market segment consists of a group of customers who share a similar set of wants

The marketer does not create the segments; the marketer’s task is to identify the segments and decide which one(s) to target. Segment marketing offers several benefits over mass marketing. The company can create a more fine-tuned product or service offering and price it appropriately for the target segment. The company can more easily select the best distribution and communication channels, and it will also have a clearer picture of its competitors, which are the companies going after the same segment.

In the context of automotive sector, we would be classifying it in the following ways-:

* **BASED ON THE PRICE OF THE CAR**
* **BASED ON THE LENGTH OF THE CAR**
* **BASED ON THE USER SEGMENT**

**BASED ON THE PRICE OF THE CAR**

On the basis of price of car we can segment the car in following ways-:

* **Economy Segment**
	+ The economy segment of car ranges up to Rs. 2.5 lacs. The products in ths segment are Maruti 800, Alto and the newly launched product of TATA motors i.e. NANO.
* **Mid- Size Segment**
	+ The mid-size segment of car ranges from 2.5 lacs to 4.5 lacs. It includes the products like Hyundai santro, Maruti zen, Tata Indica etc.
* **Luxury car segment**
* The luxury segment of car ranges from 4.5 lacs to 10 lacs. It includes the products like Honda city, Hyundai Verna, Mahindra Scorpio etc.
* **Super luxury car segment**
* The super luxury segment of car ranges above 10 lacs. This segment satisfies the elite class of the society. It includes the products like Skoda Laura, Honda Accord, BMW, Mercedes, Audi etc.

**BASED ON THE LENGTH OF THE CAR**

* A segment- Cars that are less than 3.5 meters long (800, omni)
* B segment- Cars between 3.5 meters to 4 meters long( Zen, SX4, Santro)
* C Segment- Cars between 4 meters to 4.5 meters long (Verna, Honda city, ford fiesta)
* D segment- Cars that are more than 4.5 meters long( Mercedez, Sonata, Accord, Skoda)

**BASED ON THE USER**

Segmentation of automotive sector is also based on the user of the products. Like the example of **TATA Motors,** when it observed that their product ‘INDICA’ is used extensively by the taxi operators, it came up with a new model of the car having Round Tail Lights to distinguish it from the car having vertical tail lights used by the individual buyers.

* Individual Buyers
* Taxi operators -:
* Government /non-government institutions

 **SWOT ANALYSIS**

**STRENGTHS**

**The Quality Advantage**

REWA MOTERS HAS BEEN AWARDED MANY TIMES FROM THE WORLD REKNOWNED AWARDS FOR ITS CONTRIBUTION IN AUTO SECTORS & IN THE FIELD OF QUALITY AS WE KNOW THAT REWA HAS MONOPOLY IN ELECTRIC CAR MARKET IN INDIA.

**A Buying Experience like No Other**

REWA has a sales network of 305 state-of -the-art showrooms across 189 cities, with a workforce of over 2000 trained sales personnel to guide our customers in finding the right car.

**Quality Service across 1036 Cities**

In the neilson arg survey report, REWA scored the highest across all 7 parameters: least problems experienced with vehicle serviced, highest service quality, best in-service experience, best service delivery, best service advisor experience, most user-friendly service and best service initiation experience.

92% of rewa owners feel that work gets done right the first time during service. The J.D. Power CSI study 2004 also reveals that 97% of rewab owners would probably recommend the same make of vehicle, while 90% owners would probably repurchase the same make of vehicle.

**WEAKNESSES**

**Commodity price risk**

Rewa commodity price risk relates to higher cost due to change in price of input such as Ferro-alloys (steel), non Ferro alloys (aluminium), plastic and rubber, electric component which go into the production of automobile.

In order to mitigate these risks, the company continues to attempt to enter into long term contracts based on its projection of prices in a volatile commodity market, where your company gives top priority to ensuring smooth availability of inputs, long term contracts are helpful. They also help to minimise the impact of growing input price. Conversely, long term contractor dilute the benefit if any, of a decline in input price.

**Exchange Rate Risk**

Your company is exposed to the risks associated with the fluctuation in foreign exchange rates mainly on import of component & raw material and export of vehicles. Your company has a well structured exchange risk management policy. The company manages its exchange risk by using appropriate hedge instrument depending on the prevailing market condition and the view on the currency.

**OPPURTUNITIES**

**Leading Growth**

As the market leader, your company led the growth in the passenger car sector last year. rewa sales went up 30% to 35,000 units. This, as I said earlier, is the highest annual sale since your company began operations11 years ago. rewa also gained market share, mainly on account of its performance in the competitive segment where it increased its share from 40.3% in 2002-03 to 47.7% in 2003-04.

The record sales performance was reflected in the financials. Net Sales (excluding excise) grew by 31% to Rs 1,457 mn. Operating Profit Margin increased from 0.8 % in 2002-03 to 4.7 % in 2003-04. Profit after Tax jumped 270% to Rs 211 million. Your company is committed to motorising India. Towards this end, your company's partnership with State Bank of India and its Associate Banks took organised finance to small towns to enable people to buy rewa cars.

**THREATS**

In the course of its business, rewa is exposed to a variety of market and other risks including the effects of demand dynamics, commodity prices, currency exchange rates, interest rate, as well as risk associated with financial issues, hazards event and specific asset risk. Wherever possible, we use the instrument of insurance to mitigate risk.

**Business risk**

The automotive industry is very capital intensive. Such investment requires a certain scale of operation to generate viable returns. These scales depend on demand. rewa is still depending mainly on the Indian market. Although 2004-05 was year of continued growth for the Indian economy, whether this growth momentum will continue has to be seen.

 **THREATS FROM COMPETITORS**

**Maruti Suzuki india ltd. **

In year 2008 MSIL has generated revenue of 7,765 $ million . the company has also made a net profit of 351 $ mn in year 2008.

[**Tata Motors Limited**](http://www.automotive-business-review.com/companyprofile.asp?guid=10B103C6-24E0-440B-8D11-E901B4F74C24)

In the 2004 fiscal year, Tata Motors generated revenues of $3,542.2 mn (INR154,935.2 million). The company made a net profit of $185 million (INR8,103.4 million) in the 2004 fiscal year.

 [**General Motors Corporation**](http://www.automotive-business-review.com/companyprofile.asp?guid=DAD3A6FC-60A1-4E63-AD90-B025AB2A0C12) 

For the fiscal year ended December 2004, GM generated revenues of $193,517 million, an increase of 4.3% from the previous year. The company reported a net income of $2,805 million for fiscal 2004, down 26.6% from the previous year.

**Hyundai** 

In year 2007 hyundai moters india ltd. Has recorded a revenue of 2876 $ million & posted a net sale of 2,88,000 cars in india & this company is targeting mainly middle consumer segment.

 **MARKETING MIX**

A Marketing mix is the division of groups to make a particular product by pricing, product, branding, place, and quality. Although some Day1 [marketers](http://en.wikipedia.org/wiki/Marketer) have added other P's, such as [personnel](http://en.wikipedia.org/wiki/Personnel), [packaging](http://en.wikipedia.org/wiki/Packaging) and [physical evidence](http://en.wikipedia.org/wiki/Physical_evidence), the fundamentals of [marketing](http://en.wikipedia.org/wiki/Marketing) typically identifies the four P's of the marketing mix as referring to:

"Marketing Mix" is set of correlated tools that work together to achieve company's objectives, they are: product, price, promotion, place.

The set of controllable tactical marketing tools, product, price,place and promotion - that the firm blends to produce the response it wants in the target market:

* [***Product***](http://en.wikipedia.org/wiki/Product) - A tangible object or an intangible service that is [mass produced](http://en.wikipedia.org/wiki/Mass_produced) or manufactured on a large scale with a specific volume of units. Intangible products are often service based like the [tourism industry](http://en.wikipedia.org/wiki/Tourism_industry) & the [hotel industry](http://en.wikipedia.org/wiki/Hotel_industry). Typical examples of a mass produced tangible object are the [motor car](http://en.wikipedia.org/wiki/Motor_car) and the disposable [razor](http://en.wikipedia.org/wiki/Razor). A less obvious but ubiquitous mass produced service is a [computer operating system](http://en.wikipedia.org/wiki/Computer_operating_system).
* [***Price***](http://en.wikipedia.org/wiki/Price) – The price is the amount a customer pays for the product. It is determined by a number of factors including market share, competition, material costs, product identity and the customer's perceived value of the product. The business may increase or decrease the price of product if other stores have the same product.
* [***Place***](http://en.wikipedia.org/wiki/Place) – Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the Internet.
* [***Promotion***](http://en.wikipedia.org/wiki/Promotion) – Promotion represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements - [advertising](http://en.wikipedia.org/wiki/Advertising), [public relations](http://en.wikipedia.org/wiki/Public_relations), [word of mouth](http://en.wikipedia.org/wiki/Word_of_mouth) and [point of sale](http://en.wikipedia.org/wiki/Point_of_sale). A certain amount of crossover occurs when promotion uses the four principal elements together, which is common in film promotion. Advertising covers any communication that is paid for, from television and cinema commercials, radio and Internet adverts through print media and billboards. One of the most notable means of promotion today is the Promotional Product, as in useful items distributed to targeted audiences with no obligation attached. This category has grown each year for the past decade while most other forms have suffered. It is the only form of advertising that targets all five senses and has the recipient thanking the giver. Public relations are where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word of mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and Public Relations

 

**PRODUCT, SERVICES AND BRANDING STRATEGY**

**What is a Product?**

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include more than just tangible goods. Broadly defined, products include physical objects, services, events, persons, places, organizations, ideas or mixes of these entities. Services are a form of product that consists of activities, benefits or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

Example: banking, hotel and airline.

**Products, Services and Experiences:**

Today, companies are creating and managing customer experiences with their products.

**Levels of Products and Services:**

Product Planners need to think on three levels:

1. **Core Benefit:** This addresses the question “What the buyer is really buying?”. At this level, marketers must define the core: problem-solving benefits or services that consumer seeks.

2. **Actual Product:** At this level, the core benefits must be turned into actual products. Product planners need to develop product and service features, design, quality level, brand name and packaging.

3. **Augmented Product:** Finally at this level, the product planners must bundle the products with services. They must build an augmented product by offering additional consumer services and benefits.

**CORE PRODUCT**

Core Product is the problem solving services or benefits that consumers purchase the product for, and by applying this concept to Santro you can state that the core product is speed, transportation, and freedom to go anywhere, easy traveling, and convenience.

**ACTUAL PRODUCT**

Actual product meaning the product’s parts, quality, features, design, brand name and other attributes received. Now, if we use these things and combine it with Santro we can state that the actual product is: Santro, as the brand name, it matters little about the name, because HYUNDAI is very famous already, people will recognize the brand in an instance, and features such as the fact that the car is fully customizable, so you can add most things to your car, i.e. Stereo, big speakers, rims for the tires, TV in seat etc., also design, where you can choose between a lot of colours, seat colour, and fabrics, all the things you can imagine. And of course the quality, the car will be regular HYUNDAI standard, meaning quality will be the same as for any other car made by HYUNDAI, which is high quality.

**AUGMENTED PRODUCT**

Augmented product is the additional consumer services and benefits built around the core and actual product, as well as add value and differentiate the product from its competition. The augmented product for Santro is after-sale services such as free yearly check up, as well as a free oil check after 2 years, free installation of additional features when you customize your car, and help with car insurance, and quick repair services.

**STAGES IN DEVELOPING PRODUCT AND SERVICE ATTRIBUTES**

**PRODUCT ATTRIBUTES**

Product attributes consist of several categories, such as Product quality, Product features, Product style and design. For Stuxx product quality is the performance quality, because it can be used a lot and still last for a long time (Durability). And as for Product style we know that Stuxx offers many colours and many styles used to attract attention from trendy consumers, and general consumers, the style however does not contribute to better performance. For Product design, the car has a very special chassis that allows many changes, making this a fully customizable car, where you are free to alter appearance, features, construction, such as adding items on the back of the car, lowering the car making it look more stylish like a race car.

**BRANDING**

There are several advantages for buyers when talking about branding, first of all product recognition, everyone knows GM, so if they know GM, then they know Stuxx as well. Quality on Stuxx is same standard as the rest of GM‘s cars. There are. But not only buyers have advantages, no, sellers as well. Here are a few examples, basis for product’s quality, provides legal protection, helps to segment the markets.

 **SOME OTHER WAYS TO BECOME SUCCESSFUL**

Some other Sales Promotion technique used by the company is the Festival Season Offers it introduces in the market at the time of Diwali, New Year, Christmas, Navratri etc to boost short term sales.

**PERSONAL SELLING**

Personal Selling largely takes place at the Dealers’ End. The way the customer is attended depends mainly on the Dealer as he acts as an interface between the company and the Consumer. The various cases in which Personal Selling takes place is Individual Sales, Corporate Sales, Sales Presentations, Fair and trade Shows. Mostly in case of Individual Sales the Customer goes to the showroom and takes a look at the product. There he is attended to by the Sales Personnel of the Dealership. Sometimes the Senior Sales Executive has to make Sales Presentation to Corporate Buyers. Personal Selling is also practiced at Trade Fairs and Auto Shows wherein the Company appointed Sales Personnel attend prospective customers and also book their orders.

 **DIRECT MARKETING**

* In the case of Direct Marketing the Company Officials directly contact the Prospective buyers with the information available through various sources. For example in case of Road Shows, Trade Fairs, Auto shows etc. Sometimes the existing customers also provide references of prospective buyers such as their friends or relatives.
* **Media Strategy**
\*Dramatic and high impact launch
\* High visibility
\* Push brand image even by the media vehicle
* **Building impact through multiple-media**\* PR, Mass Media, Direct Marketing, Events
* **Public Relations**Pre-launch excitement and buzz was created by a full blown PR program. Media coverage on the IDAM process, the people behind the Scorpio, the obsession, the world class technology, etc set the tone for the hyped up launch. PR was also the first tool used for launching the Scorpio. The coverage of the launch was massive. It got four cover stories
* **Mass Media**‘While the media targets would be achieved through the right selection of the media mix, the Scorpio media posture was to ensure that Scorpio was present on the decided media but ‘with a difference.’ Scorpio would use media innovations to create differentiation on the traditional media and do things in a ‘bigger and better’ manner.
* **Customer Relationship Management (CRM)**CRM as a tool was used to create positive word-of-mouth, to monitor customer experiences and generate referrals. A series of CRM activities were implemented with regular direct communication, events and customer research. The CRM plan included a welcome Pack on filling up Scorpio Club (Top Gear) form, satisfaction surveys, Events, Festive offers, Rewards Program, etc.

 **DISTRIBUTION CHANNEL OF REWA MOTERS**

STOCKIST

DEALERS

SUB DEALERS

BOOKING AGENTS

* **THE VALUE CHAIN**

The Value-Chain Network within Stuxx is a significant medium for measuring the products quality and performance, from Inbound Logistics-to- Operations-to-Outbound Logistics-to- Marketing/Sales-to-Service. As a manufacturing firm, GM that produces Stuxx manufactures the vehicle and then distributes it to its store all over USA. The whole team network has a common purpose in operation and that is to produce and to sell it to make the customer smiling when disembarking. This common belief has brought a successful feedback to the overall sales and because providing the service for selling is considered an important task by the employees at Stuxx, it has never failed. Stores are designed so that accommodating a customer is luxurious but keeping his/her perception to as “not expensive”-sense.

 Findings & Suggestion

This part has its own imporatnce in overall research report here in this part of research report we can write something according to us for companies future growth.SUCH AS

**BRAND STRATEGY**A study of international brand names was done and a classification of brand names of midsize cars and SUVs was done into groups. International brand naming trends and strategies were analyzed. New names were generated. These brand names were researched massively first by qualitative techniques and then by quantitative techniques.

**BRAND ENDORSEMENT STRATEGY**

Brand endorcement tells us that we have to portaray our brand in terms of our customer mindset & where we have to endorce our brand means this solar car must be putted as a young & sport look which will be going to attrack the the young generation

**PACKAGING**

Since product is a car, packaging might not be of much importance. Cars usually don’t come in a box. However, since Santro is made for students and older, they have decided to make a big box, free of all charges, if the car is a gift for someone’s birthday. Santro is a good choice as a “first” car; parents can easily buy it as a gift for their young teenagers/students.

**PRODUCT SUPPORT SERVICES**

As for product support services, there are 3 things to know: Assess the value of current services and obtain ideas for new services. Assess the cost of providing the extra services and putting together a package of services that delights the customers and yields profits for the company. All these, are already applied to Santro if we look at Augmented Product, which I wrote about earlier. Customers would be delighted about those extra services, and might tell friends about them and in the end make more profit for the company.

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 Footprints of competitors to follow

**PRICE**

**MARUTI SWIFT**

After launching cars for the masses since so many years, India’s largest automobile manufacturer is now targeting the premium segment with their latest model from the Suzuki’s stable. Pricing of this premium hatchback is start from Rs.4 lakh. This price range would practically rip apart Hyundai’s offering in Getz, which is priced at a much higher tag of Rs. 4.5 lakh. Both the companies are known for their value based offerings and Maruti with their extensive service network and brand reputation for making reliable cars should get the customer’s nod over their competition.

**TATA INDICA**

Tata Motors adopted a competitive pricing strategy for Indica in the global market. Prices were fixed on the basis of the norms prevailing in the international market. Also the prices offered by their competitors like Toyota, Ford, Fiat, were kept in mind while deciding the prices.

 **PROMOTION**

**MARUTI SWIFT**

When Maruti Udyog launched the Swift, the automotive industry was agog with expectation that the car had the makings of a real winner. Three versions were launched with the base variant carrying a retail tag of Rs 3.85 lakh, ex-showroom, New Delhi, and this aggressive pricing only reinforced this feeling.

 **Event Organized By Maruti to Promote Swift**

**Fever FM and Maruti Suzuki Swift organize a Night Rally for Delhi-ites**
**On March 24, 2009**

In a co-operative marketing initiative, Fever FM and Maruti Suzuki Swift came together to organize a Night Rally in Delhi. The Swift Night Life Rally was organized for the Swift Life Club. The brand tied up with the station to extend the experience to the people who were unable to participate in the activity.

 **Honda**

**Road Shows**

The company plans to stage road shows, to display vehicles in the pavilions during various college festivals and exhibition.

 **Hyundai**

** Television advertisements**

 Advertisements to promote and market our product are shown on leading television channels. Major music and sports channels promote and they reach out to the youth will be promoted through Star, Zee, Sony and

**A TV Commercial by Hyundai** doordarshan etc as it has more viewers.

 .

**Radio**

Radio is the medium with the widest coverage. Studies have recently shown high levels of exposure to radio broadcasting both within urban and rural areas, whether or not listeners actually own a set. Many people listen to other people's radios or hear them in public places. So radio announcements are made and advertisements are announced on the radio about the product features and price, qualities, etc.

**Print Ads**

Daily advertisements in leading newspapers and magazines are used to promote the product. Leaflets at the initial stage are distributed at railway stations, malls, college areas and various other locations.

**Workshops and Seminars**

Workshops and seminars are held in colleges and big corporate to make people aware about the companies past performance and product features, its affordability and usage, vast distribution network.

**Banners, neon signs**

Hoardings, banners, neon signs are displayed at clubs, discs, outside theatres, highways and shops to promote its brand car.

**Booklets and pamphlets**

Booklets are kept at car showrooms, retail battery outlets, etc for the customer to read. These booklets provide information about its company; the products offered which suits the customers need accordingly.

**AUTO SHOWS**

One of the major sources of Sales Promotion is Trade Fairs like **AUTO EXPO, MOTOR SHOW** etc. The company used to take part in these types of fairs and used it for its Sales Promotion. But now the trend is shifting because the company thinks that if they want to launch a product on a National Level, then there is no need for such kind of shows as now there are various other powerful sources of media available to them. Moreover the cost spent on these kinds of fairs was not justified. So therefore the company is now keep away from fairs. In 1999 Toyota last time participant at the RAC rally in Britain.

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 **Limitation**

Data collection

During the research there were many thing which was resisting to collect the data & some of the problem comes under these areas

**Primary data**:- while collecting primary data I have been faced many problem because there were very less people who was talking the participate in my research means it was very difficult to make him/her understood about research.

**Time constraint** :- as we all knows that while doing marketing research we cannot give any one more than a specific limit of time & it was like impossible to understand a customer by spending 10-15 min. means there responses were very limited by the questions.

-Marketing research is not exact science. there are several imponderables which come in the way of getting accurate results.

 **CONCLUSION**

India’s expedition to become a global auto manufacturing hub could be seriously challenged by its inability to uphold its low-cost production base. A survey conducted by the research, KMPMG firm reveals that the Indian auto component manufacturers are increasingly becoming skeptical about sustaining the low-cost base as overheads including labour costs and complex tax regime are constantly rising.

The survey said many executives believe that India’s mid level would be the exact market place for this car means as an economic car it become bought by the people who want to get a new experience of motor car

Indian auto businesses will only flourish if they boost investments in automation. In the longer term, cost advantage will only be retained if Indian capital can be used to develop low-cost automation in manufacturing. This is the way to preserve our low cost.

Global auto majors are also cynical about India’s low cost manufacturing base. India taxation remains a big disadvantage. This is not about tax rates it is just about unnecessary complexity. But some companies also believe there is scope for reducing the cost of doing business.

In spite of this there are opportunities to exploit lower costs right across the board. It’s true that labour costs are definitely increasing but they are still five per cent of the total operational costs. The labour costs can be further reduced if companies are successful in bringing down other costs like reducing power costs. Low-cost base can never last long. The company said Indian industry has till now relied on very labour intensive model but it would have to switch to a more capital intensive model