

**A Study on the Market Positioning of Maruti Suzuki - Perspective on 3P.**

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**Abstract**

The study was conducted to identify the market positioning of Maruti vehicles. This study included the analysis and interpretation of the data collected through the Primary and Secondary sources. The study was significant in a way that it helped in the identification of the needs and wants of customers with respect to the marketing mix.

The objective of the study was to; assess customer's faith in the product or service provided by the company, to understand why certain product or service is of special interest to the customer, with respect to price, the study compares the prices of all of the competitors in respective market segments. This will help to understand the highest and the lowest amounts that can be charged per product, with respect to promotion the study probes in to various promotional and advertisement strategies used by the company in doing the business. The focus is customer awareness about these promotional strategies.

Descriptive research design was adopted in this study. The sampling method adopted in this study was convenience sampling with the sample size of 100 respondents in Bangalore city.

It helps to understand the marketing mix of the organization and the direction and magnitude of the factors affecting the Positioning of Maruti.

**Key Words: Market positioning, product, price, promotion, Maruti vehicles**

## INTRODUCTION

In marketing, a product is anything that might satisfy a need or want. In retailing, products are called merchandise. In manufacturing, products are purchased as raw materials and sold as finished goods. Commodities are usually raw materials such as metals and agricultural products, but a commodity can also be anything widely available in the open market.

Demand is defined as the quantity of a good or service consumers are willing and able to buy at a given price in a given time period. Demand for a commodity refers to the quantity demanded for the commodity in the market in a given period of time at a given price.

Demand forecasts are necessary since the basic operations process, moving from the suppliers' raw materials to finished goods in the customers' hands, takes time. Most firms cannot simply wait for demand to emerge and then react to it. Companies have learned that they must try to sell those products, which people really want else they could suffer losses. As a result, many companies are making great effort to adapt themselves to the changing customer requirements. The need for our was to look for new products that could meet the customer requirements to service the test of time.

Customers are assumed to be able to order what, where, and when they desire. The firm may be able to influence the amount and timing of customer demand by altering the “marketing mix” variables of product design, pricing, promotion and distribution. On the other hand, customer remain free agents for react a complex, competitive market place by ordering in ways that are often difficult to understand or predict. The firm's lack of prior knowledge about how the customers will order is the heart of the forecasting problem-it makes the actual demand random.

## **Automobile Industry World Scenario**

Automobile industry is one of the fastest growing industries of the world. With more than 2 million new automobiles rolling out each year, on roads of India, the industry is set to grow further. Automobile industry made its silent entry in India in the nineteenth century. Since the launch of the first car in 1897, India automobile industry has come a long way. Today India is the largest three wheeler market in the world and is expected to take over China as the second largest automobile market, in the coming years. Indian automobile industry; manufacturing cars, buses, three wheelers, two wheelers, commercial vehicles, heavy vehicles, provides employment to a large number of workforce. The abolition of license raj in 1991 opened the doors for international automobile manufacturers. A number of leading global automotive companies entered into joint ventures with domestic manufacturers of India and thus started the large-scale production of automobiles in India. Some of the well-known players of Indian automobile industry include: Hindustan Motors, Maruti Udyog, Fiat India Private Ltd, Ford India Ltd., General Motors India Pvt Ltd, and Toyota Kirloskar Motor Ltd among others. The production of automobiles in India is mainly for the domestic customers. Cars with 79% of automobiles in India, dominate the automobile industry in India.

Automobile Industry, industry that produces automobiles and other gasoline-powered vehicles, such as buses, trucks, and motorcycles. The automobile industry is one of the most important industries in the world, affecting not only the economy but also the cultures of the world. It provides jobs for millions of people, generates billions of dollars in worldwide revenues, and provides the basis for a multitude of related service and support industries. Automobiles revolutionized transportation in the 20th century, changing forever the way people live, travel, and do business.

The automobile has enabled people to travel and transport goods farther and faster, and has opened wider market areas for business and commerce. A century later, with automakers and auto buyers expanding globally, auto making became the world's largest manufacturing activity, with nearly 58 million new vehicles built each year worldwide.

India holds huge potential in the automobile sector including the automobile component sector owing to its technological, cost and manpower advantage. Further, India has a well-developed, globally competitive Auto Ancillary Industry and established automobile testing and R&D centers. The country enjoys natural advantage and is among the lowest cost producers of steel in the world. The Indian automobile industry today boasts of being the Second largest two Wheelers manufacturers in the world, World largest Motorcycle manufacturer is in India, Second Largest tractor manufacturer in the world, fifth largest commercial vehicle manufacturer in the world and Fourth largest Car market in Asia.

The automobile history dates back to the late 18th century. Nicolas Joseph Cugnot, a French engineer is credited with inventing the first self-propelled automobile. Cugnot's vehicle used steam power for locomotion. The vehicle found military application in the French army. Cugnot's automobile was never commercially sold.

In the beginning automobile industry was dominated by steam-powered vehicles. The vehicles were expensive and difficult to maintain. The incidence of frequent boiler explosions also kept potential purchasers away. Commercial history of automobiles started with the invention of gasoline powered internal combustion engines. The German inventor, Karl Benz constructed his first gasoline powered vehicle in 1885 at Mannheim, Germany. Commercial production of Benz cars started in 1888. Panhard Et Levassor of France was the first company to exclusively build and sell motor cars from 1889.

The early 1900s saw many automobile manufacturing companies coming into existence in a number of European countries and the United States. The first mass produced automobile in the United States was the curved-dash Oldsmobile. It was a three-horsepower machine and sold 5,000 units by 1904. The economics of the US car market was disrupted by the arrival of Henry Ford and his Model T car. The Model T was the world's first mass produced vehicle- a million units were sold by 1920- a space of 10 years.

## Indian Scenario

Some facts on Automobile industry in India:

- India has the fourth largest car market in the world
- India has the largest three wheeler market in India
- India is the second largest producer of two wheelers in the world
- India ranks fifth in the production of commercial vehicles.
- Hyundai Motors ranks second in car production in the world.

While human being thought of running faster than the wind and flying higher with his dreams, then the concept of cars came in to his mysterious but solving mind. Since then, unlike many other advanced countries all the Indians have comforted themselves with the convenience of many categories of cars. India gave birth to its first car on the city street anticipated from the beginning of twentieth century. With the varied variety of cars ranging from mid size to big size and from luxury, premium to utility cars, Indian wide street along with the narrow, dark lane is overcrowded with multi tasking, stylish four-wheelers.

The birth of the car as we know it today occurred over a period of years. It was only in 1885 that the first real car rolled down on to the streets. The earlier attempts, though successful, were steam powered road-vehicles. The first self-propelled car was built by Nicolas Cugnot in 1769 which could attain speeds of upto 6 kms/hour. In 1771 he again designed another steam-driven engine which ran so fast that it rammed into a wall, In 1807 Francois Isaac de Rivaz designed the first internal combustion engine. This was subsequently used by him to develop the world's first vehicle to run on such an engine, one that used a mixture of hydrogen and oxygen to generate energy.

This spawned the birth of a number of designs based on the internal combustion engine in the early nineteenth century with little or no degree of commercial success. In 1860 thereafter, Jean Joseph Etienne Lenoir built the first successful two-stroke gas driven engine. In 1862 he again built an experimental vehicle driven by his gas-engine, which ran at a speed of 3 kms/ hour. These cars became popular and by 1865. The next major leap forward occurred in 1885 when the four stroke engine was devised. Gottlieb Damlier and Nicolas Otto worked together on the

mission till they fell apart. Daimler created his own engines which he used both for cars and for the first four wheel horseless carriage. In the meanwhile, unknown to them, Karl Benz, was in the process of creating his own advanced tri-cycle which proved to be the first true car.

The season of experiments continued across the seas in the United States where Henry Ford began work on a horseless carriage in 1890. He went several steps forward and in 1896, completed his first car, the Quadricycle in 1896. This was an [automobile](#) powered by a two cylinder gasoline engine. The Ford Motor Company was launched in 1903 and in 1908 he catapulted his vehicle, Model T Ford to the pinnacle of fame. Continuing with his innovations, he produced this model on a moving assembly line, thus introducing the modern mass production techniques of the [automobile industry](#)

The modern car , therefore comes from a long list of venerated ancestors, and its lineage will, hopefully grow longer as we progress. With the invention of the wheel in 4000 BC, man's journey on the road of mechanized [transport](#) had begun. Since then he continually sought to devise an automated, labour saving machine to replace the horse. Innumerable attempts reached conclusion in the early 1760s with the building of the first steam driven [tractor](#) by a French Captain, Nicolas JacobCugnot.

It was however left to Karl Benz and Gottlieb Damlier to produce the first vehicles powered by the internal combustion engine in 1885. It was then that the petrol engine was introduced, which made the car a practical and safe proposition. The cars in this period were more like the cars on our roads today. With cars came the era of speed.

The first ever land-speed record was established about a 100 years back, in 1898. Count Gaston de Chasseloup-Laubat of France drove an electric car (in Acheres near Paris) at a speed of 39.24 miles per hour. This flagged off the era of '[wheels](#) racing', which lasted till 1964, after which jet and rocket -propelled vehicles were allowed. From the singsong rhythm of the bullock cart to the jet-age, India has travelled a long way. An average Indian's dream [car](#) may not be the design-savvy Honda or the stately limousine, but he sure can dream, and afford, the Maruti now.

It was in 1898 that the first motorcar rode down India's roads. From then till the First World War, about 4,000 cars were directly imported to India from foreign manufacturers. The growing demand for these cars established the inherent requirements of the Indian market that these merchants were quick to pounce upon.

The Hindustan Motors (HM) was set up in 1942 and in 1944, Premier Automobiles (PAL) was established to manufacture [automobiles](#) in India. However, it was PAL who produced the first car in India in 1946, as HM concentrated on [auto](#) components and could produce their first car only in 1949.

It was left to another company, Mahindra and Mahindra (M&M) to manufacture sturdier utility vehicles, namely the American [Jeep](#). The protectionist policies continued to remain in place. The 60s witnessed the establishment of the two-three wheeler industry in India and in the 70s, things remained much the same. Since the 80s, the Indian car Industry has seen a major resurgence with the opening up of Indian shores to foreign manufacturers and collaborators.

The 90s have become the melting point for the car industry in India. The consumer is king. He is being constantly wooed by both the Indian and foreign manufacturers. Though sales had taken a dip in the first few months of 1999, it is back to boom time. New models like Maruti's Classic, Alto, Station Wagon, Ford's Ikon, the new look Mitsubishi Lancer are all being launched with an eye on the emerging market.

Indian auto industry is experiencing huge shifts in trends. The industry is developing at a fast rate. The roar you hear is of the automobile industry opening the throttle. A growth of 19 per cent in sales of all vehicles combined is noteworthy; more so the 41 per cent rise in sales of commercial vehicles.

## **Review of literature**

### **Product**

The marketer designs the product or service that would satisfy unfulfilled needs or wants. Further decisions regarding the product concern the size, shape, and features.

### **Price**

The second important component of marketing mix is price. Marketers must decide what price to charge for the product or service. These decisions will influence the flow of revenue to the company. Should the marketer charge the same, higher, or lower price stimulates sales? Should there be any price with discounts? Do consumers perceive lower price indicative of poor quality? .To answer such questions, the marketer must understand the way the company's product is perceived by consumers, the importance of price as a purchase decision variable and how different price levels would affect sales. It is only through consumer behaviour study in actual buying situations that the marketer can hope to find answers to these important issues.

### **Promotion**

Promotion is concerned with marketing communications to consumers. The more important promotion methods are advertising, personal selling, sales promotion, publicity and direct marketing, the marketer has to decide which method would be most suitable to effectively reach the consumers. Should it be advertising alone or should be advertising with sales promotion? The company has to know the target consumers, their location, what media they have access to and what their media preferences etc are.



### **Problem statement**

The compounded annual sales growth is a measure of company's actual positioning in the market. The three main components to ensure marketing success are the areas of product, price and promotion. By assessing each of these specific areas, marketing managers will be able to provide detailed information towards marketing campaign or marketing strategy.

### **Objective of the study**

1. To assess customers faith in the product or service provided by the company.
2. To understand why certain product or service is of special interest to the customer.
3. With respect to price, the study compares the prices of all of the competitors in respective market segments. This will help to understand the highest and the lowest amounts that can be charged per product.
4. With respect to promotion the study probes in to various promotional and advertisement strategies used by the company in doing the business. The focus is customer awareness about these promotional strategies.

## **Research Methodology**

### **Research design**

“A research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data”- C.R.Kothari. Descriptive design was adopted in this study.

### **Data collection method**

#### **Primary Data Collection:**

**Interview:** The administrator of a questionnaire to an individual or group of individuals is called an interview.

**Type of Interview:** Structured Interview, it refers to the extent to which an interviewer is restricted to following the wording and instructions in the questionnaire.

Concerned to the project, using the structured questionnaire with open-ended, close ended. And the questionnaire was addressed to the customers who visited the outlets and also those customers who visited the market area through convenience sampling.

#### **Secondary sources:**

- a. Company websites
- b. Related information from Internet
- c. Company reports
- d. Text books

## **Measurement Techniques**

### **Questionnaire:**

This is most easy technique that is sought after and one of the easy methods to gather primary information and is a core source for primary data and this type of data collection technique is being incorporate by me through the questionnaire. And the questionnaire would be given to those customers who visit these outlets.

### **Tools for data collection**

The main tools used for the data collection was questionnaire, which were distributed to the population

### **Tools for analysis**

The main tools used for analysis of data are the percentage analysis.

## **Sampling method and size**

Sampling allows us to concentrate our attention upon relatively small number of people and hence devote more energy to ensure that the information collected from them accurate. Convenience sampling method was adopted in this study, and a sample size of 100 respondents from Bangalore city.

## **Limitation of the study**

### **Time constraints**

The study was limited, not enabling to conduct a detail study and analysis, even limiting the sample size to hundred.

### **Bias of the respondents**

The respondents were hesitant to reveal entire information as required by us and even refused to cooperate, misunderstanding the purpose of study. Most of the respondents were biased in their opinion and was not willing to open up their response, though some were unbiased and were ready to open up and cooperate.

**Table 1:Frequency Table**

S.No	Age of respondents	No: of Respondents	Percentage
1	18-25	26	26
2	26-33	26	26
	34-41	16	16
3	42-49	10	10
4	Above 50	22	22
5	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Gender of respondents</b>			
		No: of Respondents	Percentage
1	Male	84	84
2	Female	16	16
	Total	100	100
<b>Dealers</b>			
		No: of Respondents	Percentage
1	Bimal	20	20
2	Garuda Auto craft	12	12
	Kalyani Motors	10	10
3	Mandovi	42	42
4	Pratham	7	7
	RNS	3	3
5	Sagar	2	2
6	Others	4	4
7			
8	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Performance</b>			
		No: of Respondents	Percentage
1	Excellent	26	26
2	Good	68	68
	Average	6	6
3	Below Average	0	0
4	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Product Range</b>			
		No: of Respondents	Percentage
1	Above Expectation	30	30
2	As Per Expectation	62	62
	Below Expectation	8	8
3	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Characteristics</b>			
		No: of Respondents	Percentage
1	Comfort	10	10
2	Mileage	22	22
	Features	12	12
3	Looks	15	15
4	Price	20	20
	Safety	16	16
5	Others	5	5
6			
7	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Preference to avail Maruti</b>			
		No: of Respondents	Percentage
1	Yes	56	56
2	No	44	44
	Total	100	100
<b>Recommendation to others</b>			
		No: of Respondents	Percentage
1	Yes	56	56
	No	44	44

The above table shows that 26% of the respondents belong to the age group of 18-25, 26% belongs to the age group of 26-33, 22% belongs to the age group of 50 and above, 16% belongs to the age group of 34-41 and 10% belongs to the age group of 42-49, 84% of the respondents were male and 16% of the respondents were female.

From the above table, we can understand that the most customers purchased vehicles in the market was Mandovi i.e. 42% of the respondents and the second is Bimal 20% of the respondents and the least is Sagar 2%. Regarding presale satisfaction, 68% of the respondents felt that the presale satisfaction was quiet good, 26% of the respondents were of the opinion that it is excellent, only 6% of the respondents were of the opinion of average and none of them have below average satisfaction. Regarding expectation about Maruti products, 62% of the respondents felt that the product range of the Maruti vehicles was quiet good, 30% of the respondents were of the opinion that the company's product range was excellent, only 8% of the respondents were of the opinion that the company's product range was average and none of them were of the opinion that the company's product range was poor.

Regarding the characteristics of the Maruti vehicles, table shows that respondents have a preference maximum for mileage and next to that is price. Regarding preference to avail Maruti

insurance, maximum Number of Respondents are willing to avail Maruti Insurance. Regarding the recommendation of Maruti products to others, maximum Number of Respondents are recommending maruti products to others. Most of the respondents said yes for the intension to repurchase Maruti vehicles. Regarding the expectation to improve Maruti vehicles, Price component need to be considered first and quality is to be considered important second by the company. Remark about after sales service, Most of the respondents said the after sales service is good and 28% of the respondents informed that the after sales service is average. The unawareness of the respondents of the Maruti add on services is represented on the above chart and mostly it runs across the service equally and with a small difference. Regarding resale value for Maruti vehicles, 45% of the respondents moderately satisfied, 35% of the respondents highly satisfied and others are dissatisfied. The major reason for preferring maruti vehicles is Fuel Efficiency and next is quality, & brand image. Opinion about product range, 30% of the respondents said excellent, 25% said good, 25% said average and remaining 20% said poor. Regarding the performance of Maruti vehicles 25% said excellent, 35% good, 25% average, 10% poor, and remaining 155 don't know. Irrespective of different vehicles respondents uses almost all the vehicles. Regarding appearance and style of Maruti vehicles, 30% highly satisfied, 35% moderately satisfied, 25% neither satisfied nor satisfied, and 10% dissatisfied.

### **Findings**

1. 26% of the respondents belong to the age group of 18-25, 26% belongs to the age group of 26-33, 22% belongs to the age group of 34-41 and 16% belongs to the age group of 42-49

2. 84% of the respondents were male and 16% of the respondents were female

3. We can understand that the most customers purchased vehicles in the market was Mandovi i.e. 42% of the respondents and the second is Bimal 20% of the respondents and the least is Sagar 2%.

4. 68% of the respondents felt that the presale satisfaction was quiet good, 26% of the respondents were of the opinion that it is excellent, only 6% of the respondents were of the opinion of average and none of them have below average satisfaction.
5. 62% of the respondents felt that the product range of the Maruti vehicles was quiet good, 30% of the respondents were of the opinion that the company's product range was excellent, only 8% of the respondents were of the opinion that the company's product range was average and none of them were of the opinion that the company's product range was poor.
6. The above Table shows that respondents have a preference maximum for mileage and next to that is price.
7. Maximum Number of Respondents are willing to avail Maruti Insurance.
8. Maximum Number of Respondents are recommending maruti products to others.
9. Price component need to be considered first and quality is to be considered important second by the company.
10. Most of the respondents said the after sales service is good and 28% of the respondents informed that the after sales service is average.
11. The unawareness of the respondents of the maruti add on services is represented on the above chart and mostly it runs across the service equally and with a small difference.
12. The major reason for preferring maruti vehicles is Fuel Efficiency and next is quality, & brand image.

## **Conclusion**



The company has a wide range of products and good after sales service. It has more customized products and the firm has unbeatable quality checking measures. The company ensures 100% quality in almost all of its products.

The study was done with the intention of identifying the market positioning of Maruti vehicles with the help of data collected through both primary and secondary sources. The questionnaire, interviews and observation are the main techniques used for collecting primary data's. Also the project study helps to understand the marketing mix of the organization and the direction and magnitude of the factors affecting the Positioning of maruti.

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