

# **THE CHANGING MARKETING STRATEGIES (A Case Study on Renault Duster)**

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## **INTRODUCTION**

Many Western companies have taken advantage of the resource available in India and the willingness of Indian states and the federal government to encourage investment in some of its more rural areas. The global automotive sector has seen India as a potential market and hub for manufacturing cars to export to other Asian nations. All the major Japanese automakers have invested in India, as well Renault, Volkswagen, and Volvo. India is now the sixth largest manufacturer of cars in the world, making nearly four million cars a year and in Asia is third behind Japan and South Korea. No other car in recent times has created the sensation the Renault Duster has done in the Indian automotive industry. This predominantly European car has won over the Indian consumer. It has turbo-charged the compact sport-utility vehicle segment and revived the fortunes of Renault India.

When French automotive giant Renault first entered India through a joint venture with Mahindra & Mahindra, it placed high hopes on its maiden product offering Logan - a mid-sized sedan launched in 2007. But the car with its dated looks and high pricing failed to strike a chord with Indian consumers. Such was the scale of the failure that it ended up killing the joint venture in 2010. Renault's brand name took a massive hit in India. Ironically, the Logan's failure laid the foundation for the success of Renault's compact sport-utility vehicle (SUV) Duster.

The Duster's success is more of a marketing achievement than the result of engineering excellence. Renault's strategy indicates a coming of age for the car industry in India with focus on customer-centric product development and use of consumer insights to drive engineering. Renault identified a gap in the market and used the customer voice to develop an appealing product. The Duster has opened up a new category which will attract considerable competition. The newness will wear off and the success that has put a large number of Dusters on the road will dilute the novelty of its look

No other car in recent times has created the sensation the Renault Duster has done in the Indian automotive industry. This predominantly European car has won over the Indian consumer. It has turbo-charged the compact sport-utility vehicle segment and revived the fortunes of Renault India. This case study looks at what contributed to the car's success.

## **RESEARCH OBJECTIVE AND METHODOLOGY**

The case study tries to find out the evolution of the brand " Renault Duster" and the marketing strategies adopted by it in the Indian markets .

What marketing mix ?

How STP analysis done in India ?

What product has been offered?

What other policies and decisions made which makes Renault unique ?

The methodology adopted in this case study is to study the secondary data available and on the basis of that according to marketing analysis conclude that what factor gives edge to Renault over the other car brands in the Indian market.

## **LITERATURE**

### **History of Renault**

Renault S.A. is a French multinational vehicle manufacturer established in 1899. The company produces a range of cars and vans, and in the past, trucks, tractors, tanks, buses/coaches and auto rail vehicles. In 2011, Renault was the third biggest European automaker by production behind Volkswagen Group and PSA and the ninth biggest automaker in the world by production in 2011.

The Renault Corporation was founded in 1899 as Society Renault Frères by Louis Renault and his brothers Marcel and Fernand. The first Renault car, the Renault Voiturette 1CV was sold to a friend of Louis' father

after giving him a test sold to a friend of Louis' father after giving him a test ride on 24 December 1898. The client was so impressed with the way the tiny car ran and how it climbed the streets that he bought it.

In 1903, Renault began to manufacture its own engines inasmuch as until then it had been purchasing them from De Dion-Bouton. The first major sale was in 1905 to the Society des Automobiles de Place, which bought Renault AG1 cars to establish a fleet of taxis. These vehicles would eventually be used by the French military for transporting troops during World War I which earned them to be known as "Taxi de la Marne." By 1907, a significant percentage of the taxis circulating in London and Paris had been built by Renault. In 1908 the company produced 3,575 units, becoming the largest car manufacturer in France.

Renault made itself known through achieving instant success in the first city-to-city races held in Switzerland resulting in rapid expansion for the company.

The Renault reputation for innovation was fostered from very early on. At the time, cars were very much luxury items, and the price of the smallest Renaults available being 3000 francs reflected this; an amount it would take ten years for the average worker at the time to earn. In 1905 the company introduced mass-production techniques, and Taylorism in 1913. As well as cars and taxis, Renault manufactured buses and commercial cargo vehicles in the pre-war years. The first real commercial truck from the company was introduced in 1906. During World War I, it branched out into ammunition, military airplanes and vehicles such as the revolutionary Renault FT tank. The company's military designs were so successful that Renault himself was awarded the Legion of Honour for his company's contributions to the war. The company also exported their engines overseas to American auto manufacturers for use in such automobiles as the GJG which used a Renault 26 hp or 40 hp four-cylinder engine.

Headquartered in Boulogne-Billancourt, the Renault group is formed by the namesake Renault marque and subsidiaries Automobile Dacia from Romania and Renault Samsung Motors from South Korea. Renault has a 43.4% controlling stake in Nissan of Japan, a 25% stake in AvtoVAZ of Russia and a 1.55% stake in Daimler AG of Germany. Renault also owns subsidiaries RCI Banque (providing automotive financing), Renault Retail Group (automotive distribution) and Motrio (automotive parts). Renault Trucks, previously Renault Véhicules Industriels, has been part of Volvo Trucks since 2001. Renault Agriculture became 100% owned by German agricultural equipment manufacturer CLAAS in 2008. Renault has various joint ventures, including Turkish Oyak-Renault and Iranian Renault Pars. Carlos Ghosn is the current chairman and CEO and the French government owns a 15 percent share of Renault.

As part of the Renault-Nissan Alliance, the company is the fourth-largest automotive group. Together Renault and Nissan are undertaking significant electric car development, investing €4 billion (US\$5.16 billion) in eight electric vehicles over three to four years from 2011. The company's core market is Europe. The company is known for its role in motor sport, and its success over the years in rallying and Formula 1.

### **RENAULT IN INDIA**

Renault India Private Limited is the Indian subsidiary of Renault S.A. of France, with its headquarters in Chennai. The company has production facilities in Chennai, Tamil Nadu. Renault India Private Limited was established in October 2010.

In 2005, Renault established a 51:49 joint venture with Mahindra & Mahindra Limited to form Mahindra Renault Limited. In May 2007, the joint-venture launched the Renault Logan, produced at a manufacturing plant in Nasik, Maharashtra. But the car with its dated looks and high pricing failed to strike a chord with Indian consumers. Initially, the Logan met with considerable success but sales slipped with competition against newer models from Maruti Suzuki, Tata Motors, and Toyota.

Such was the scale of the failure that it ended up killing the joint venture in 2010. Renault's brand name took a massive hit in India. Ironically, the Logan's failure laid the foundation for the success of Renault's compact sport-utility vehicle (SUV) Duster.

After its break-up with Mahindra & Mahindra, Renault chose to go alone. It set up a Rs. 4,500 crores factory at Oragadam near Chennai along with its global partner Nissan Motor Company. The facility caters to the needs of Nissan and Renault. But the Logan debacle continued to haunt the company. The first few products it rolled out from the new plant were positioned as "image drivers". It launched premium sedan Fluence in May 2011 and premium SUV Koleos that September. Both were assembled at the Oragadam plant from imported kits. Its next offering was the Pulse, a compact car launched in January 2012. The Pulse was a cross-badged version of Nissan's Micra, and was also positioned as a premium offering. Renault's focus on resurrecting its image in India and consequent premium offerings meant poor volumes in a country that prefers value for money.

Renault desperately needed a "volume driver" to shore up its operations. It identified a gap in the SUV segment. "There were SUVs costing Rs 20 lakh and above manufactured by global players and those priced from Rs 6 lakh to Rs 10 lakh produced by Indian companies. We saw an opportunity there," says Armelle Guerin, Director, Product Planning at Renault India. The company launched the Duster priced between Rs 8 lakh and Rs 12 lakh in July 2012.

The Duster took the Indian market by storm. It fuelled the segment of compact SUVs and grabbed a 23 per cent market share within a year. The Duster's success was such that Renault had to triple production within months of its launch from seven per hour to 20 per hour. Today, one in three cars produced at the Oragadam plant is a Duster. That is not all. The Duster today accounts for 86 per cent of Renault India's production, 81 per cent of its sales and 100 per cent of its exports.

### **HOW DID A PREDOMINANTLY EUROPEAN CAR WIN THE HEARTS AND MINDS OF DIFFICULT INDIAN CUSTOMERS?**

The answer lies in what Renault India did in the 24 months following its decision to bring the Duster to India. The Duster was Renault's first 'real' offering in India after the Logan. "The Logan's failure reminded us of the importance of understanding the customer, getting the product right and positioning the Duster correctly at the time of the launch," says Marc Nassif, Managing Director, Renault India.

The company went back to the drawing board to understand the Indian customer. It identified a focus group of about 200 people whose profile matched the potential buyer of the Duster. It then short-listed 30 families from this focus group across five Indian cities for an ethnographic study spread over two months. During this period members of the product development team lived with their target customers to observe them, understand their lives and needs.

The study threw up 41 modifications that the European Duster needed. Guerin says the exercise enabled the company to understand what a car should have to meet an Indian customer's needs. "We understood that a critical purchasing factor of a car in India is the exterior design," she says. "People loved an SUV with rugged looks that stood out in a crowd, but at the same time wanted it to operationally perform like a sedan - easy to drive and [offering] good fuel efficiency."

### **OTHER LESSONS FOR RENAULT IN INDIA**

There were other lessons as well. The study revealed that Indian consumers liked a strong dose of chrome on their cars, especially the exterior. They liked body-coloured bumpers. Inside the car they preferred a dual-tone interior, and wanted the switches for power windows on the door rather than in the central console. Since a good proportion of Indian cars are chauffeur-driven, the rear seats needed special treatment. Indians preferred inclined seats for greater comfort. Rear air-conditioning was critical and so was the armrest, a mobile charger and a reading light. Some storage space was also welcomed.

The European Duster did not have these attributes. Renault made several changes in the car to suit Indian conditions. These included reinforcing the suspension to tackle rough Indian roads and offering a higher ground clearance. It added more brackets to the car's doors as they tended to be used roughly. The engine was tuned to meet the quality of the fuel in India and deliver high efficiency of at least 20 km per litre. The tuning of the engine was done in Paris; the company shipped diesel from India to get the tuning right.

Of late, Sawhney's job has become a trifle difficult. SUV sales - like auto sales in general - have slumped in recent months. Enhanced competition from rivals such as Ford's compact SUV EcoSport is chipping away the Duster's market share (it dropped to 20 per cent in July). Nassif, for his part, has a different challenge now. The Duster has resurrected Renault's brand image in the country, and Nassif realises the company needs to capitalise on the car's success. "The Renault brand cannot sustain in India only on the Duster. We will need more products," he says. Renault India needs many more Duster-like successes.

### **THE PRODUCT -DACIA DUSTER (RENAULT DUSTER)**

Renault has been at the forefront of revolutionising the automobile industry by delivering comfortable, stylish and efficient automobiles. With many eye catching inventions such as The Gearbox, The Sedan, The Turbocharger, The Hatchback and The MPV, Renault has not just changed the way the world travels, but also the way the world looks at automobiles. With a global presence, it has succeeded in becoming the travel companion of choice for millions.

Now, with 5 enviable cars, Renault aims to revolutionise the Indian automobile market. A fact that's reinforced by its growing dealer network and increasing customer base. In just 2 years, Renault has amassed multiple awards including the much cherished 2013 Manufacturer of the Year award. With a

continuing emphasis on R&D, Renault is on track to change the way India drives, for the better. Product of Renault in India is :

#### 1. Duster

The explorer in each one of us finds a match. The Renault Duster is an embodiment of a bold, sporty and masculine character. International styling and design add to its distinctive identity on the road while the premium leather interiors enhance the pleasures of travel.

The Dacia Duster is a compact sport utility vehicle (SUV) produced jointly the French manufacturer Renault and its Romanian subsidiary Dacia since 2010. It is also marketed as the Renault Duster in certain markets, such as India, Iran, Kazakhstan, Russia, Mexico, South Africa and in South America. It is also rebadged as the Nissan Terrano in Russia and India. It was officially launched at the 2010 Geneva Motor Show and is the third model based on the Logan platform, after the Sandero.

In 2014, 40% of the Duster units sold worldwide were badged Dacia and 60% (70% in 2013) were sold under the Renault marque. A four-door double cab pick-up has been launched at the end of 2015 in South America, marketed as the Renault Duster Oroch.

### **DESIGN**

The Duster was initially introduced in the ice racing version prepared for the Andros Trophy, presented for the first time on 17 November 2009. The production version was revealed to the media on 8 December 2009, and was subsequently launched at the Geneva Motor Show in March 2010.

Based on the B0 platform, the Duster measures 4.31 metres (169.7 in) in length, 1.82 metres (71.7 in) in width and has 210 mm (8.3 in) of ground clearance. Its luggage space has a volume of up to 475 litres (16.8 cu ft), while with the rear benchseat folded and tipped forward, its carrying ability can exceed 1,600 litres (57 cu ft).

The Duster is offered with two-wheel drive or four-wheel-drive. The 4x4 variants make use of Nissan's all-wheel drive system, which allows the driver to choose from three different driving modes: Auto, in which the rear-wheel drive is engaged automatically in case the front wheels lose grip, Lock, whereby 50 per cent of torque is consistently fed through the rear axle, and 2WD where the transmission is locked into front-wheel drive for maximum fuel efficiency.

### **FACELIFT**

In September 2013, the facelifted Dacia Duster was presented at the Frankfurt Motor Show. The exterior received important changes in the front with a new chromed grille and redesigned headlights, restyled roof bars, new 16-inch wheels and modest modifications in the rear. The interior was also renewed, with design and features similar to those introduced the previous year on the new models in the Dacia line-up.[12][13] A new TCe 125 1.2 liter direct-injection turbo engine was introduced.[14]

### **SAFETY**

In 2011, the Duster was tested by the Euro NCAP, receiving a three-star rating. It was awarded 27 points (74%) for the adult occupant protection, 38 points (78%) for the child occupant protection, 10 points (28%) for the pedestrian protection and two points (29%) for the safety assist features. In the latter category, the rating was influenced by the lack of the speed limiter and the fact that the electronic stability control is available only as an option.

Euro NCAP test results		
Dacia Duster (2011) <sup>[15]</sup>		
Test	Points	%
Overall:		
Adult occupant:	27	74%
Child occupant:	38	78%
Pedestrian:	10	28%
Safety assist:	2	29%

### **DACIA DUSTER MARKETING IN INDIA**

Renault launched the Duster on 4 July 2012 in India, with various modifications for the Indian market. The suspension and the underside of the car were strengthened to increase the car's offroading suitability. The

Duster is currently available in ten different variants, out of which eight are diesel and two are petrol. This version has some additional safety features as standard, including door warning lights, central locking and engine protective underguard. It also comes with safety features like Anti-lock Brake System, Emergency Brake Assist, Electronic Brake-force Distribution, stability control module, two front air-bags and three-point seatbelt tensioners features.

### **WHY CHOOSE INDIA ?**

Indian economy is the ninth largest economy in the world by gross domestic product (GDP) and the third largest nominal balance based on the ability to shop (PPP). The country is a member of the G 20 and BRICS members. In 2011, GDP PPP per capita of India stood at \$ 3,703 (IMF), which makes it was ranked 127 in the world. Thus their economic income belonging to the lower middle class.

India is the world's 12th biggest economic power. Between 2005 and 2007 it posted steady economic growth of over 9%, and GDP per capita has doubled in the space of ten years. The car market is growing by around 10% a year, attracting the attention of many vehicle manufacturers. India's middle classes total more than 350 million people, all of whom are potential buyers, and their numbers are continuing to grow.

India is one of the second biggest country in Asia by area and populous after China. In terms of population, India is the second largest country in the world. By 2025, India will be the biggest country in terms of population. Western markets like the European Union and the United States are set to benefit from a 1.15 plus billion population in India. The population will continue to grow also in terms of disposable income and consumption of Western products.

Most Populous Nations By 2050

### **MARKETING STRATEGIES ADOPTED**

The following are ways in which the company Renault to win the hearts of Indian consumers.

2) To enter the Indian market, Renault use Joint Venture Strategy.

Renault first entered India through a joint venture with Mahindra & Mahindra, it placed high hopes on its maiden product offering Logan - a mid-sized sedan launched in 2007. But the car with its dated looks and high pricing failed to strike a chord with Indian consumers. Such was the scale of the failure that it ended up killing the joint venture in 2010.

2. The Low Price Strategy.

When Renault realized that the high price is not a success in India as sales of its first product Logan, then they see the opportunities in the Indian market is a global player offering SUV for Rs 20 lakh and for Indian companies offer SUV priced between Rs 6 lakh and Rs 10 lakh, so the next product Renault Duster, which is lower than the price offered by previous products that between Rs 8 lakh - Rs 12 lakh. If we compare the price of products with Renault SUV (Duster) and SUV product prices by global players, the difference is very far away. With the low price strategy of The Duster took the Indian market by storm. It triggers the compact SUV segment and achieved a market share of 23 percent within one year.

3. To adapted with Indian culture, Renault use Study Ethnography strategy.

Ethnography is research designed to explore cultural phenomena. An ethnography is a means to represent graphically and in writing the culture of a group. The resulting field study or a case report reflects the knowledge and the system of meanings in the lives of a cultural group. Companies must understand the Indian customer with focus groups identified about 200 people who fit the profile of potential buyers Duster. Then selected 30 families from the focus groups in five cities in India to spread ethnographic study of more than two months. During this time period the product development team members live with their target customers to observe them, understand their lives and needs. They also spend time with the customer to find out what they like and dislike about their vehicles.

4. To modify a car, Renault identify strategies 3F

5) Fast (adaptation to the needs of India must take place within 12 months) o Frugal (limited budget), and

o Fantastic (without compromising on quality).

Managing Director, Renault Nissan Technology & Business Centre India, whose team executed changes to the car. Three teams - product development team, Renault design studio in Mumbai and a team of engineers - began working as a small company in India Renault. Nassif, MD India, is empowered to accelerate decision making. The Duster successful because it is the right product at the right time in the right segment at the right price.

Renault India Private Limited Analysis	
Parent Company	Renault SA and French Government
Category	Sedan, Hatchback, SUV
Sector	Automobiles
Tagline/ Slogan	Drive the change
USP	Strong Hold on European markets
STP	
Segment	SUV, Hatchback, Sedan Segment of Car users
Target Group	Businessmen, Young executives, Families
Positioning	Positioned as a car manufacturing company which offers wide range of cars to select form starting from super-mini car to MPVs
Product Portfolio	
Brands	<ol style="list-style-type: none"> <li>1. Renault Koleos</li> <li>2. Renault Fluence</li> <li>3. Renault Scale</li> <li>4. Renault Duster</li> <li>5. Renault Pulse</li> </ol>

SWOT Analysis

Strength	<ol style="list-style-type: none"> <li>1. Wide customer base and loyalty in Indian markets</li> <li>2. One of the Largest automobile group with Nissan collaboration</li> <li>3. Offers wide variety to choose from including sedan, SUV and hatchbacks</li> <li>4. Available in over 110 countries with a workforce of over 125,000</li> <li>5. Actively involved in global motorsport events as teams and sponsors</li> <li>6. Strong brand associations with Nissan , Mahindra etc helped in global reach</li> </ol>
Weakness	<ol style="list-style-type: none"> <li>1. Despite European popularity, lacks penetration in Asian and growing markets</li> <li>2. Cases of recall of cars slightly affected brand image</li> </ol>

Opportunity	<ol style="list-style-type: none"> <li>1. Invest in hybrid and future cars</li> <li>2. Develop and sustain strong partnership with national car manufacturers</li> <li>3. Extend the distribution and servicing network to increase market penetration</li> </ol>
Threats	<ol style="list-style-type: none"> <li>1. Competitive car manufacturers</li> <li>2. Innovative features introduced in competitive care which leads to product differentiation</li> <li>3. Competition with national car manufacturers who enjoy increased market penetration as well as brand awareness</li> </ol>

**MARKET SHARE IN INDIA**

The Indian automobile industry is the tenth largest in the world with an annual production of approximately 2 million units. Indian auto industry, promises to become the major automotive industry in the upcoming years and the industry experts are hopeful that it will touch 10 million units mark.

Indian automobile industry is involved in design, development, manufacture, marketing, and sale of motor vehicles. There are a number of global automotive giants that are upbeat about the expansion plans and collaboration with domestic companies to produce automobiles in India.

The market share of the automotive industry in India is dominated by Maruti Suzuki with 45.28 percent. Renault still be in a position eighth with 3.16 percent. Renault is a follower of the Indian market in the automotive industry. The data below shows the market share the Indian car company.

Sales Figures					Current
Rank	Company	Apr'13	Mar'13	Feb'13	Market Share
1	Maruti Suzuki			97955	45.28%
2	Hyundai	90523	107890	34002	16.21%
3	Mahindra	32403	33858	23421	10.38%
4	Tata	20749	25847	10613	5.79%
5	Motors	11570	12347	12756	4.51%
6	Toyota	9007	19452	6510	4.25%
7	Honda	8488	10044	7106	4.10%
8	Chevrolet	8196	9006	6723	3.16%

9	Renault	6314	8232	5810	2.28%
10	VW	4566	6506	4490	2.00%
11	Ford	4003	5271	1947	0.97%
12	Skoda	1934	2079	1948	0.62%
13	Nissan	1239	2125	815	0.26%
14	HM-	520	725	202	0.20%
	Mitsubishi	391	462		
	Fiat				
	Grand Total	199903	243844	214298	100.00%

### **GETTING THE 5 P's CORRECT**

The Renault Duster's success, in my opinion, can be attributed to the following factors:

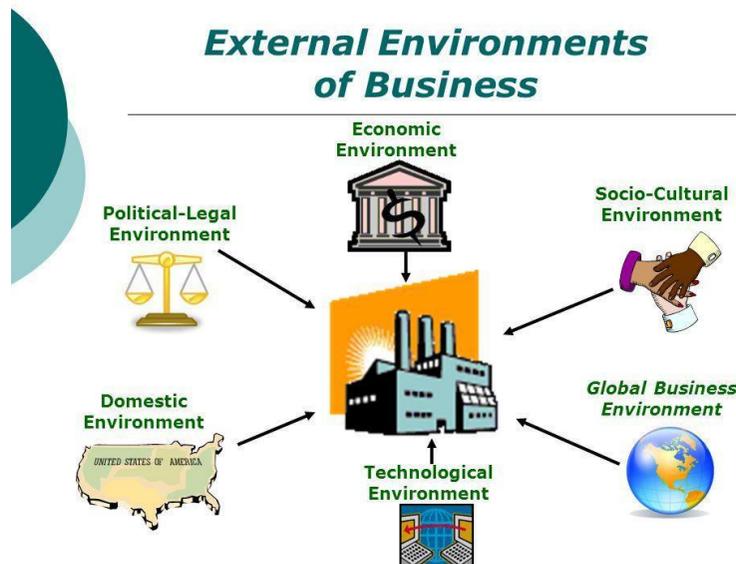
1. Category growth: Growing demand for SUVs thanks to a number of launches by both Indian and foreign car makers, as is the case in most markets.
2. Competitive pricing: Almost all SUVs had been priced above Rs 15 lakh, with most foreign models priced above Rs 25 lakh, creating a sweet spot at Rs 10 lakh and below, where the Duster is perfectly priced.
3. Safety: Given the bad traffic in most cities and horrendous accidents we see every day, the safety features of SUVs score higher versus sedans, as the perception is that they are safer, especially for families with children.
4. Increased road travel: The poor quality of roads and highways, and increased road travel by families for holidays and leisure makes SUVs very desirable.
5. Image: The macho image of SUVs and the perception they can be used on rugged terrains, although most people may never do any off-roading, makes them a hit.
6. Fuel economy and high price of petrol: This created a strong demand for fuel-efficient diesel cars.

All these factors, along with focused advertising and best-in-class after-sales service, have made Duster the top-selling SUV for the past few months, showing that even in a depressed market, if the brands get the 5Ps (product, price, promotion, place and people) correct, consumers will reward them through increased off-take. The competition in the category will only intensify, with Ford being the first to come with EcoSport, another SUV offering very good value, and other brands are sure to follow. For Renault to continue with the success, it must focus on the elements that made Duster a hit - best-in-class after-sales service, competitive pricing (not necessarily the cheapest), understanding the needs of its consumers by continuing to connect with them, and offering very competitively priced service and spares - an area where most brands seem to fail.

### **A SWOT AND TOWS ANALYSIS OF MARKETING ENVIRONMENT CULTURAL ENVIRONMENT OF INDIA**

Cultural Indian society is a different with Europe that Indian consumers liked a strong dose of chrome on their cars, especially the exterior. They liked body - coloured bumpers. Inside the car they preferred a dual-tone interior, and wanted the switches for power windows on the door rather than in the central console. Since a good proportion of Indian cars are chauffeur - driven, the real seats needed special treatment. Indians

preferred inclined seats for greater comfort. Rear air-conditioning was critical and so was the armrest, a mobile charger and a reading light. Some storage space was also welcomed. To meet the wishes and needs of the Indian consumer. Renault Company did an ethnographic study of more than 2 months in five cities in India. Ethnography is a research designed to explore the phenomenon of budaya.



### ECONOMIC ENVIRONMENT OF INDIA

Indian community's economy is still low, so that the people of India can not accept products with high prices. India also including the developing countries. can be seen from the failure of its product offerings with the high prices of the Mahindra Renault joint venture. When Renault realized that the high price is not a success in India as sales of its first product Logan, then they see the opportunities in the Indian market is a global player offering SUV for Rs 20 lakh and for Indian companies offer SUV priced between Rs 6 lakh and Rs 10 lakh, so the next product Renault Duster, which is lower than the price offered by previous products that between Rs 8 lakh - Rs 12 lakh. If we compare the price of products with Renault SUV (Duster) and SUV product prices by global players, the difference is very far away. With the low price strategy of The Duster took the Indian market by storm. It triggers the compact SUV segment and achieved a market share of 23 percent within one year.

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### International Strategic Management

- Renault identify strategies 3F
  - ü Fast (adaptation to the needs of India must take place within 12 months)
  - ü Frugal (limited budget), and
  - ü Fantastic (without compromising on quality)
- Strategies For Analyzing and Entering Foreign Markets

To enter the Indian market, Renault use Joint Venture Strategy. Renault first entered India through a joint venture with Mahindra & Mahindra, it placed high hopes on its maiden product offering Logan - a mid-sized sedan launched in 2007. But the car with its dated looks and high pricing failed to strike a

chord with Indian consumers. Such was the scale of the failure that it ended up killing the joint venture in 2010.

- Human Resource Management

The three teams- the product development team, Renault's design studio in Mumbai and a team of engineers- began to work as a small company within Renault India. Nassif, the India MD, was empowered to speed up decision making. To achieve the 3F objectives we needed the modifications to be done locally with a local team. That helped. We executed the changes in 12 months, within budget and ended up with a product people love.

### **STP ANALYSIS (SEGMENTING , TARGETING , POSITIONING )**

Globally positioned as the " shockingly affordable car " it was repositioned for " the unstoppable Indian ". The car is highly localized carrying 60% of the localized parts.

Renault adopted a relentless pre - launch communication strategy . three weeks prior to the launch of the vehicle a commercial man weeping and a statement 'our apologies to those who brought a sedan ' was featured. The campaign was also extended to digital platform to reach the right audience for the car. It created a lot of buzz among the Indian consumers for the new Renault Duster.

Clearly understanding Indian consumers' love for cricket , Renault associated with cricket by sponsoring the extra innings (IPL) and Ind Vs Sl series where the car was given to Virat Kohli for being the " Man of the Series " .

The company also encouraged auto reviewers , journalists from auto publications , even bloggers , to test drive the vehicle and write and speak about it.

In metro cities , special "Renault lounge " were created at five star hotels, complete with an LED entrance arch , circular stage with LED screens , white leather couches for guests and a long ramp as a strategic driveway for the duster. Renault duster targeted 360 media activities , including television , commercials , radio spots , out- of- home and digital media activities.

Duster also offered four years warranty assurance and a 24 hour helpline for customer complaints.

### **Problems Faced By Renault in India**

1. When Renault first entered India through a joint venture with Mahindra & Mahindra, was put high expectations on its maiden product offerings Logan (midsize sedan) was launched in 2007. But cars with high performance and price fails to strike a chord with Indian consumers. The price is very expensive is not accepted by Indian consumers
2. Attributes dominated European cars, the Duster is not attractive to the Indian consumer.
3. Sales of SUVs - such as car sales in general - have slumped in recent months. Increased competition from rivals such as the Ford EcoSport compact SUV Duster chipping away market share (it dropped to 20 percent in July)

### **Solution for Problems Faced Renault in India**

A. After its break-up with Mahindra & Mahindra, Renault chose to go alone. It set up a Rs 4,500 crore factory at Oragadam near Chennai along with its global partner Nissan Motor Company. The facility caters to the needs of Nissan and Renault. Renault's focus on resurrecting its image in India and consequent premium offerings meant poor volumes in a country that prefers value for money. Very expensive prices can't be applied in India because India is still a developing country so the price should be adjusted to the economy of Indian society.

B. Renault company must be able to adapt to the needs and wishes of the people in Indian the companies have to modify the design of the car.

1. The people of India like SUV with a rugged appearance that stands out in a crowd, but at the same time wants to perform operations such as sedans - easy to drive and offers good fuel efficiency.
2. Indian consumers like a strong dose of chrome on their cars, especially the exterior. They also like body colored bumpers.
3. In the car they prefer dual-tone interior, and want to switch to the power window in the door rather than in the center console.
4. Because a good proportion of India chauffer-driven car, the rear seat that requires special care.
5. India tend to be preferred seats for greater comfort.
6. The need for air conditioning and so Rear armrest, mobile chargers and reading lights. Some storage space is also required.

C. The Duster has raised the image of the Renault brand in India, and Nassif realized the need to capitalize on the success of the company car. "The Renault brand can not sustain in India only on the Duster.

We will need more products," he said. Renault Duster like India needs a lot of success. To cope with the competition then companies must innovate products according to the needs and desires of Indian consumers.

Questionnaire on the project

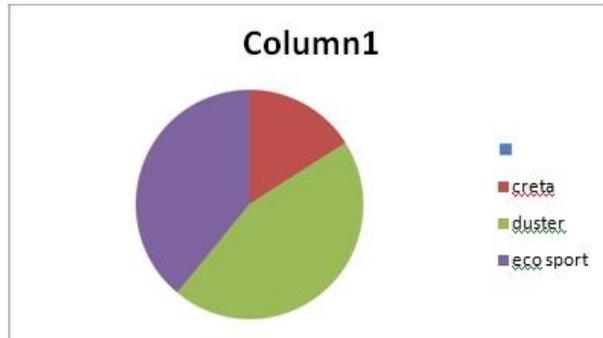
About 30 people were surveyed regarding their knowledge about " Renault Duster " and the conclusions have been represented in the form of pie - charts depending on the answers .

1) Are you well versed with the brand name "Renault" and the car " Renault Duster"?



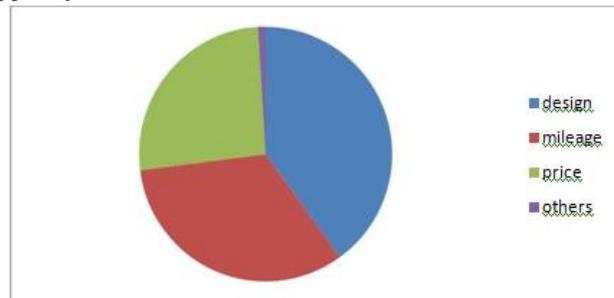
Ans)

2) Which one out of these would you prefer ?



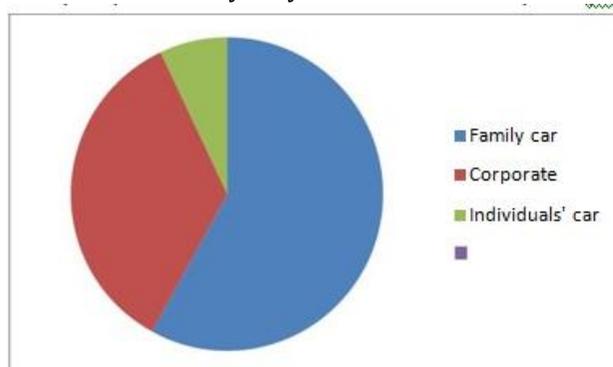
Ans)

3) Which features of Renault appeal you the more as a viewer ?



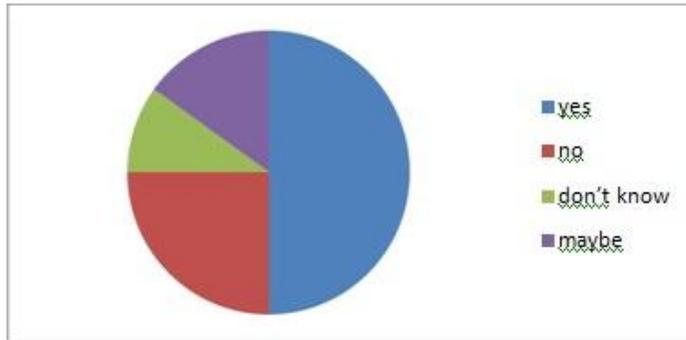
Ans)

4) Where do you position the car based on its utility for you ?



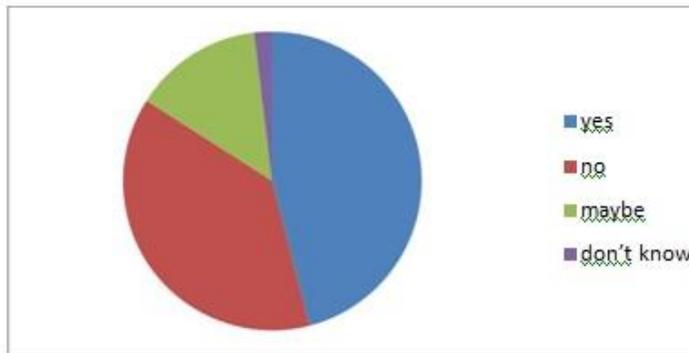
Ans)

5) Do you think Renault is giving tough competition to other cars in the Indian car industry ?



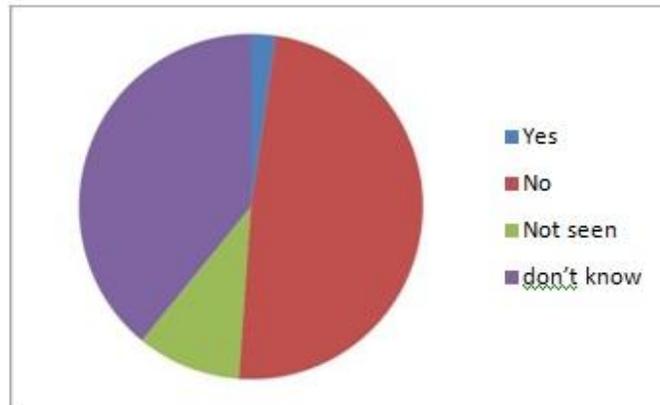
Ans)

6) Does Renault matches with our cultural and economic environment considering the amount of diversity and poverty in our country ?



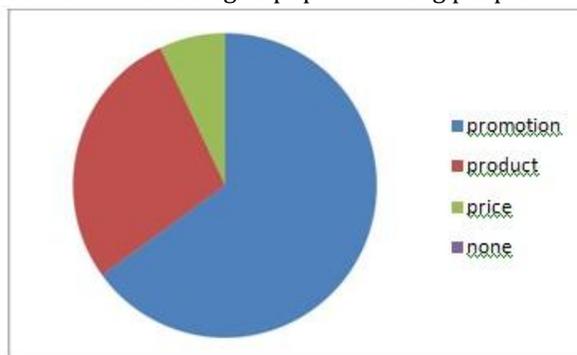
Ans)

7) Have you the television commercial of the car ? Do you find it appealing?



Ans)

8) What do you think is the reason for duster being so popular among people?



Ans)

**CONCLUSION**

Celebrated as the most awarded SUV, the Renault Duster continued its winning streak across India, where it is manufactured, with a total of 29 awards, since its launch in 2012. Generating more than two-thirds of the renowned French carmaker's sales in India, the Renault Duster is today one of the 15 best-selling models in the country and the No. 2 SUV in India.

Renault India Private Limited is the Indian subsidiary of Renault S.A. of France, with its headquarters in Chennai. The company has production facilities in Chennai, Tamil Nadu. Renault India Private Limited was established in October 2010. With 5 enviable cars, Renault aims to revolutionise the Indian automobile market. Renault company in India managed to captivate the hearts of the people of India with modify the design interior and exterior of the car. The duster is a product of Renault in accordance with the wishes and needs of the people of India against a car.

The Duster succeeded because it is the right product at the right time in the right segment at the right price. Renault offered what no other car in India offered. It adopted "Aggressive Innovative marketing Strategy". Not only this but it also gave a high customer satisfaction. An independent survey from TNS nine months after the launch of the vehicle ranked Duster No.1 in post purchase customer satisfaction. Most importantly Duster emerged as car designed and marketed keeping the "Unstoppable Indians" in mind.

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