

## Marketing Strategy of Maruti Suzuki India Limited

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**ABSTRACT:** : Maruti Suzuki India Limited is a holding company engaged in the manufacturing, purchasing and selling of motor vehicles, components and spare parts of four wheeler cars. It was established in February, 1981, and production started in 1983. The first model i.e., **Maruti 700** was 100% Indian made. Maruti Suzuki India Limited is a joint venture between Indian government and Suzuki car manufacturer, Japan. It has three manufacturing facilities located in "Gurgaon, Haryana", "Manesar, Haryana" and "Gujarat" with annual combined production capacity is 17, 62,000 vehicles per year. The company's product portfolio includes- Alto 800, Alto K10, Wagon R, Celerio, Ritz, Swift, Dzire, Ertiga, Omni, Ciaz, Vitara Brezza, Eeco, etc.

The objective of the study is to know the present status of Maruti Suzuki India Limited in India. I used both primary and secondary data for the study of "Marketing Strategy of Maruti Suzuki India Limited". Primary data have been collected through in-depth interviews, questionnaires and regular survey of parking area of Gurgaon Manufacturing Plant. Secondary data have been collected with the help of websites, National and international journals, magazines and newspapers.

In this study the marketing strategy of Maruti Suzuki India Limited is based on the marketing mix, the PEST Analysis, the SWOT Analysis and the BCG Matrix. The study shows that the marketing strategy used by Maruti Suzuki India Limited is good and appropriate to sustain the present competitive scenario. One thing is important to keep close eyes on different types of threats and remove the weaknesses which are mentioned in SWOT Analysis.

**Key Words:** Marketing, Strategy, Marketing Mix, SWOT Analysis, PEST Analysis, BCG Matrix and Competitive Advantage.

### **I. INTRODUCTION**

Maruti Suzuki India Limited (MSIL) is not new for us. The old name of Maruti Suzuki India Limited (MSIL) is Maruti Udyog Limited an automobile manufacturing in India. MSIL was establishment in February, 1981 and production started in 1983 with the "**Maruti 700**" which is 100% Indian made and then the second model was '**Maruti 800 DX**' which was based on the '**Suzuki SS80**' imported from Japan car manufacturing. MSIL headquarter is in New Delhi and it has founded as joint venture between Suzuki Motor Corporation, Japan and the government of India. When we talk about the present scenario of four wheelers in India, MSIL is a leading manufacturer. As of July 2018, it had a market share of 53% of the Indian passenger car market. MSIL has three manufacturing facilities in India and manufactures and sells popular cars such as- Vitara Brezza, Celerio, Ignis, S-cross, Baleno, Ciaz, Ertiga, Alto 800, Alto K10, Swift, Dzire, Wagon R, Ritz and Omni.

**The three manufacturing plants are** - (i) Gurgaon Manufacturing Plant (ii) Manesar Manufacturing Plant (iii) Gujarat Manufacturing Plant. All plants have a combined production capacity is 17, 62,000 Vehicles per year. In which 15, 12,000 Vehicles are the production capacity of Gurgaon Manufacturing Plant and Manesar Manufacturing Plant together whereas 2, 50,000 Vehicles per year are the production capacity of Gujarat Manufacturing Plant. But the new plan is to increase the total production capacity of all three plants from 17, 62,000 Vehicles per year to 22, 50,000 Vehicles per year by 2020.

**(i) Gurgaon Manufacturing Plant** - Gurgaon Manufacturing Plant has three fully integrated manufacturing plants and is spread over 300 acres (approx 1.2 Km<sup>2</sup>). This plant also manufactures 2,40,000 K- Series engines per year. The Gurgaon Manufacturing Plant manufactures the- Alto 800, Wagon R, Ertiga, S-cross, Vitara Brezza, Ignis and Eeco.

**(ii) Manesar Manufacturing Plant** - Manesar Manufacturing Plant was inaugurated in February, 2007 and is spread over 600 acres (approx. 2.4 Km<sup>2</sup>). Initially it had a production capacity of 1,00,000 Vehicles per year but this was increased to 3,00,000 per year in October, 2008 and again increased to 5,50,000 Vehicles in March 2014. The Manesar Manufacturing Plant produces the - Alto 800, Alto K10, Swift, Ciaz, Baleno, and Celerio.

**(iii) Gujarat Manufacturing Plant** - Gujarat Manufacturing Plant was inaugurated in February 2017. The

plant current production capacity is 2, 50,000 Vehicles per year. But the new plan is to increase the production capacity of this plant up to 7, 50,000 Vehicles per year by 2020.

## II. Objective of the study -

The objectives of the study of this article “Marketing Strategy of Maruti Suzuki India Limited “ is as follows –

- (i) To study the growth and strategy for growth of MSIL.
- (ii) To know about the marketing strategy used by MSIL.
- (iii) To study the role of MSIL in small car revolution in India.
- (iv) To know the strength, weakness, opportunities, threats of MSIL in present scenario.

## III. Research Methodology –

The study based on both primary and secondary data. Primary data have been collected with the help of a sample size of 50 questionnaires and in-depth interviews conducted in the different areas of India like Noida of U.P., Samastipur of Bihar and Kharagpur of West Bengal. Secondary data have been collected from websites of MSIL, Annual report of MSIL, National and international journals, Government reports, different magazines and newspapers.

My research is based on the feedback of respondents. To know the market share and demand, I have visited the parking area of Gurgaon Manufacturing Plant and to know the distribution strategy , I visited to the logistics division of MSIL, during which I met to Mr. Nishat Alam, General Manager of Malik Logistics ( A car transporting company under take of MSIL ). I express my gratitude to Mr. Nishat Alam for his support at every level to collect the data related to this research.

## IV. Marketing Strategy of MSIL -

Marketing strategy is the combination of two word that is ‘Marketing’ and ‘Strategy’. Marketing means “the activity, set of institutions and process for creating, communicating, delivering and exchanging offering that have value for customers, clients, partners and society at large. P. Kotler defines marketing as satisfying needs and wants through an exchange process. And strategy means a plan of action design to achieve a long term or overall aim. These two words help us to understand the meaning of marketing strategy. *Marketing strategy is the plan of action designed to satisfy the needs and wants of customers, clients, partners and society. In this study, the marketing strategy of Maruti Suzuki India Limited is based on the marketing-mix, the PEST analysis, the SWOT analysis and the BCG matrix.*

a) **Marketing-mix of MSIL** – ‘A combination of factors that can be controlled by a company to influence consumers to purchase its products’ – **Marketing-mix**. We can say that it is a foundation model and set of marketing tools that the firm uses to pursue its marketing objectives in the target market. Thus, the marketing-mix refers to four broad levels of marketing decisions namely – product, price, place and promotion. Here is the marketing-mix of Maruti Suzuki India Limited.

● **Product mix of MSIL** – Maruti Suzuki India Limited have 53% market share in the Indian market. All the products of Maruti Suzuki India Limited are made keeping the common man in mind. Means the product quality is suited for the every segments of the population either it is urban or rural. It manufactures different types of cars and sells them in the market –

- Omni
- Wagon R
- Swift
- Dzire
- Eeco
- Alto 800
- Alto K10
- Ertiga
- Celerio
- Celerio X
- Ciaz
- Baleno
- Baleno RS
- S-cross
- Vitara Brezza
- Ignis

- **Price mix of MSIL** – Price strategy of MSIL is as per both the penetrative stage and the competitive stage. Pricing strategy of MSIL is based on many factors. It is decided after the proper analysis of market means the research team of the company analyze the current market trends, the competition, the cost of raw material, socio- economic factors, distribution charges, cost of advertisement, the dealers profit and the profit of the company.

#### Prices of different cars of MSIL

Car Name	Price of cars	Category
Omni	2.68 Lacs to 2.70 Lacs	Minivan
Wagon R	4.65 Lacs to 6.33 Lacs	Hatchback
Swift	5.43 Lacs to 9.84 Lacs	Hatchback
Dzire	6.09 Lacs to 10.61 Lacs	Sedan
Eeco	3.65 Lacs to 4.79 Lacs	Minivan
Alto 800	2.8 Lacs to 4.17 Lacs	Hatchback
Alto K10	3.87 Lacs to 4.92 Lacs	Hatchback
Ertiga	9.11 Lacs to 12.72 Lacs	Mini MPV
Celerio	4.78 Lacs to 6.06 Lacs	Hatchback
Celerio X	5.31 Lacs to 6.16 Lacs	Hatchback
Ciaz	9.37 Lacs to 13.52 Lacss	Sedan
Baleno	6.07 Lacs to 10.03 Lacs	Hatchback
Baleno RS	9.97 Lacs	Hatchback
S-cross	10.12 Lacs to 13.64 Lacs	Mini SUV
Vitara Brezza	8.45 Lacs to 12.35 Lacs	Mini SUV
Ignis	5.34 Lacs to 8.19 Lacs	Hatchback

- **Place mix of MSIL** – Maruti Suzuki India Limited has three manufacturing units in India and having combined production capacity of 17, 62,000 Vehicles annually. It has strong dealer network across India and has largest distribution and after sales service. As far as the place mix of MSIL is concern, MSIL has 1,820 sales outlets across 1,471 cities in India but the company aims to increase it to 4,000 outlets by 2020. MSIL has 3,145 service stations across 1,506 cities throughout India and aims to touch 5,000 service stations by 2020. Maruti's dealership network is larger than Hyundai, Mahindra, Honda, Tata, Toyota and Ford combined. MSIL has 1,280 showrooms across 453 cities in India. MSIL transport cars from manufacturing plant to different dealers point across India through Car carrier (container). In August, 2016, government of India has experimented to send the cars through ships to control the pollution but the experiment was not succeeded. And then MSIL included train racks to transport the cars to decrease the pollution level.

- **Promotion mix of MSIL** - The MSIL uses all types of media to promote its products. The main focus is on the road safety measures. The promotion mix consist of four major tools -

- Advertisement
- Publicity
- Personal Selling
- Sales Promotion

Advertisements are telecast in the visual media and the print media such as Television, radio, newspaper, magazine, road shows, seminars and workshops. Publicity had played a vital role in the success of Maruti Suzuki India Limited. The company has used publicity tools -

- News
- Speeches
- Events

- Written Material
- Audio – Visual Materials
- Corporate Identity, etc.

b) **PEST Analysis of MSIL** – In order to understand the conditions under which the MSIL products were introduced in the Indian market, it is necessary to analyze the factors that influenced its effectiveness. Here is the PEST analysis of MSIL –

- **Political Factors** –

- MSIL galloped in India during adoption of new economic policy by govt. of India. As a result, everyone was very open to the idea of collaboration with foreign companies.

- The government insisted on the companies using 70% local content in the manufacture of the cars as they would have generated tremendous revenue for India.

- Positive EXIM policies also have helped MSIL to boost its top line with export.

- **Economic Factors** –

- The economic conditions during the launch of MSIL were very relaxed and liberal. So there were no strict norms that the company had to adhere by.

- The resources available in India were utilized by Suzuki which generated considerable revenue for the government.

- A booming banking sector has made MSIL more affordable.

- **Societal Factors** –

- A rise in middle class has propelled a demand of B-segment cars. MSIL provides an exact choice for this demand.

- **Technological Factors** –

- MSIL has the technology to manufacture everything from the smallest of screws to the biggest of machines in its factory. Therefore, MSIL manufactures cars under best conditions.

c) **SWOT Analysis of MSIF** –

Here is the SWOT analysis of MSIL:-

- **Strengths** -

- Brand name.

- Large distribution network.

- Wide product offering at different price points.

- Cheapest cars in respective segments.

- Encouraging export.

- Economy with technology.

- **Weaknesses** –

- Lack of separate Research and Development department.

- New model introduction to only cosmetic changes.

- Dominance mainly at lower level.

- **Opportunities** –

- Rise of Indian middle class and small cities.

- A booming economy.

- Rising export.

- **Threats** –

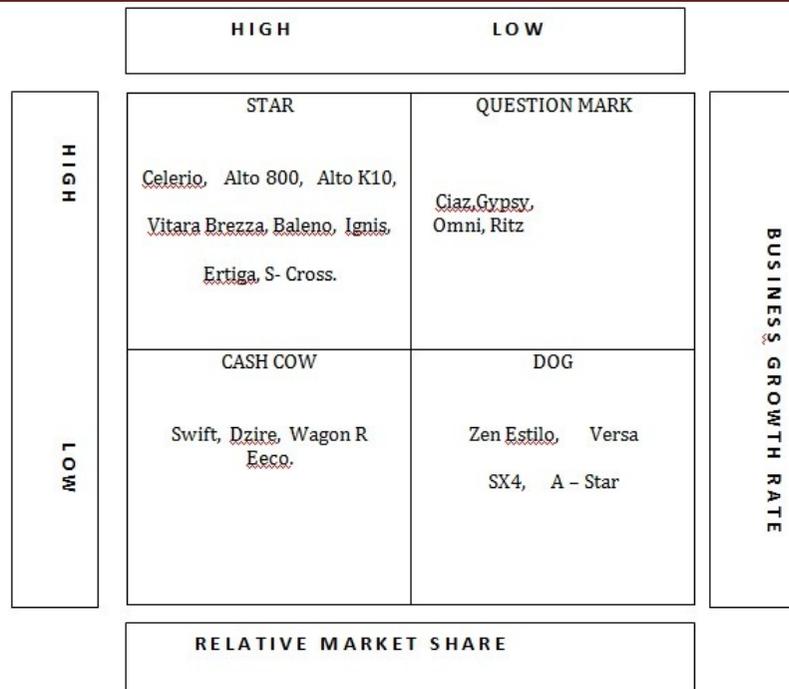
- Many players fighting for the same.

- Entry of new players.

- Cannibalism.

d) **The BCG matrix of MSIL** –

In concern of BCG matrix of MSIL , Celerio, Alto 800, Alto K10, Vitara Brezza, Baleno, Ignis, Ertiga and s-cross have the high market share and high growth rate and Swift, Dzire, Wagan R and Eeco have high market share but low growth rate. Ciaz, Gypsy, Omni and Ritz having high business growth and low market share so here is a question mark to high market share. Zen Estilo, Versa, SX4, and A-star are comes under the dog category because both market share and business growth rate are low that's why should stopped. Here is the BCG matrix of MSIL:-



### V. Findings and Suggestions

The study shows that MSIL has the largest market share in the field of four wheelers in India. Marketing strategy used by MSIL is satisfactory and appropriate to sustain in the competitive era. MSIL's marketing strategy is good enough to take the competitive advantage. The technology used by MSIL is as per economic needs and the positive EXIM policy of India help to enhance the export of cars. Aggressively, MSIL moves towards present opportunities that is rise of Indian middle class and small cities with booming economy.

As far as the suggestion is concern, it is necessary for MSIL that it maintains the present status in the Indian market. MSIL keeps close look on different threats and do the needful to prevent it from threats and immediately eliminate the weaknesses and should establish a separate R & D department. And need to think about question mark group products and I think, it is necessary to stop the dog group products

### VI. Conclusion

MSIL was established in February 1981 and started the production in 1983. It has three manufacturing plants with presently total production capacity is 17, 50,000 Vehicles per year. It has 53% market share and establish market leadership in Indian market. The present marketing strategy is good enough to sustain the competition. MSIL follows the political, economical, societal and technological norms and helps us to increase our national economy.

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