
MARKETING STRATEGIES OF HYUNDAI MOTORS IN INDIA

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ABSTRACT

In today's competitive era the word 'Strategy' is meant a lot for all business organizations. Presently organizations started realizing that customer-centric and aggressive marketing strategies play a vital role to become a successful leader. Globalization already opened the doors of opportunities for all; the market is still crowded with some unknown risks and lot of competition. Because of this competition, marketing strategies must aim at being a unique, differential-creating and advantage-creating. If organization has a unique and differential advantage, an organization has to be creative in its marketing strategy. Today due to innovative marketing strategies Hyundai motors has become one of the leading & largest sellers of automobiles in India. The Company has adopted various Brand positioning, Advertising, Distribution strategies for capturing the overall market. Hyundai's few unique promotional strategies Change your life campaign. The objective of this paper is to focus on various marketing strategies of Hyundai Motors in India.

Keywords – Strategy, Brand Position, Marketing, Promotion, Distribution.

1. INTRODUCTION

The roots of Indian Automobile industry refers to first car which ran Indian road in 1897, which created the way for imports of automobile through the 1930's. Hindustan motors was

launched in India in 1942 and a long time competitor Premier in 1944 which gave the products like Chrysler, Dodge and Fiat. Mahindra got established in 1945 with assembly of Jeep CJ-3A utility vehicle.

After independence an effort was organised by government of India to create an automotive component manufacturing industry for supplies. The tariff commission appointed by government in 1952 came out with the recommendations which were implemented in the new policy. Following the implementation General Motors, Ford and Rootes group having assembly plant in Mumbai decided to move out. During Nationalization and License raj the growth of the sector was relatively slow. It affected the growth of Indian Private Automobile sector.

Maruti Suzuki India Ltd. Got established in 1981, which is the country's largest passenger car manufacturing company.

After liberalisation multinational auto makers viz. Suzuki, Toyota and Hyundai were allowed to invest in the Indian automobile market. HMIL owned by Hyundai motors of south Korea and one of the 6th largest of the world got established on 6th May 1996, which took the Indian automobile industry by storm.

HMIL's manufacturing plant near Chennai is having advanced production, quality and testing capabilities in the country. To cater of rising demand, HMIL became developing its second plant in February 2008, which produces an additional 300,000 units per annum, raising HMIL's total production capacity to 600,000 units per annum. Current Production Capacity by these 2 plants in Kancheepuram increased to 670,000 cars per year.

HMC has formed a research and development facility (Hyundai Motor India Engineering - HMIE) in the cyber city of Hyderabad.

As HMC's having global export hub for compact cars, HMIL is becoming the first automotive company in India to achieve the export of 10 lakh cars in just over a decade. HMIL is now currently exports cars to more than 120 countries across EU, Africa, Middle East, Latin America, Asia and Australia. It is the number one exporter of passenger cars of the country for the eighth year in a row.

To support HMIL's growth and expansion plans, HMIL currently having 388 strong dealer network and more than 1000 strong service points throughout India, which will see further expansion in 2014?

In July 2012, Arvind Saxena, the Director of Marketing and Sales dropped the position after serving the company for 7 years.

2. OBJECTIVES OF THE PAPER

- To review the progress of Indian Automobile Sector.
- To understand market share and penetration of Hyundai motors.
- To understand the Marketing Strategies of Hyundai motors India Limited.

3. LITERATURE REVIEW

- A.V.Vedpuriswar wrote in his article “Hyundai in India” how Hyundai has grown to first but second largest automobile players because of Maruti Suzuki India Limited in India. Suzuki India Limited mention in Sustainability Report 2009-10 focuses on its. Hyundai Motors owned its distinct identity in Indian automobile market by offering various vehicles for fulfil the demand of customer from different segment.
- Arvind Saxena in his interview told that Hyundai Motors India Limited is defending their brand by introducing new technology and style to their vehicle. Hyundai offering the same product across the world i.e. a new model launches around the same time all over the world. He also said that, with the changing needs & wants of customers, Hyundai Motor is trying to fulfil the consumer’s expectations by giving them technologically advanced cars with more features and more value for money than.
- Rajan Mani in his article discussed the topic of development & growth of the Indian automobile sector. His article speaks about various issues like removal of licensing, rationalizing taxes and duties, acquisition of foreign technology etc. It also explainsthe revolution which overtook the Indian automobile industry and the future of the industry.

4. PROFILE OF HYUNDAIINDIA LIMITED (HMIL)

Hyundai Motor India Ltd is a totally new owned subsidiary from Hyundai Motor Company headquartered in South Korea. It is on the second largest automobile manufacturer with 17% market share as of 2017 and 5.5 billion USD turn-over in India.

It currently has bunch of different nine car models across segments – EON, SANTRO, GRAND i10, ELITE i20, ACTIVE i20, XCENT, VERNA, ELANTRA, and CRETA& TUCSON. HMIL's integrated state-of-the-art manufacturing plant near Chennai boasts advanced production, quality and testing capabilities.

HMIL is a critical part of HMC's global export hub. It is currently working on exports to around 88 countries across Africa, Middle East, Latin America, Australia and Asia Pacific. To help & support its growth and expansion plans, HMIL currently has 493 dealers and more than 1,309 service points across India. In commitment of Hyundai provides customers with cutting-edge global technology, Hyundai has a modern multi-million-dollar R&D facility in Hyderabad. The R&D centre working hard to be a centre of excellence in automobile engineering.

5. RESEARCH METHODOLOGY

Research methodology

The research was conducted through online portals. Secondary data from the Internet was used for study and analysis. The research includes Strategy, Brand Positioning, Marketing, Promotion, and Distribution. It included overall data and the strategies made by Hyundai motors for the Indian market.

Research approach

The objective was to know the competitive position of Hyundai in the automobile sector thus in order to successfully conduct the research. We obtained the detailed information through different websites and got the secondary data, in order to have a strategic plan for the marketing of Hyundai through their branding strategies, popularity and customer satisfaction.

6. PERFORMANCE OF HYUNDAI MOTORS INDIA LIMITED

HMIL has 475 dealers and more than 1,300 service points throughout India. HMIL operates its own dealerships known as *Hyundai Motor Plazas* in large metros across India. HMIL is on the second largest sales and service network in India after Maruti Suzuki.

Hyundai India annual sale

Hyundai Motor India Ltd (HMIL), is on the place of country's second largest car manufacturer and also with the largest passenger car exporter, and cumulative sales stood at 6, 78,221 units in **2018**.

Indian-arm of the Korean carmaker, Hyundai Motor India has also grown by over 5 percent in India and overall managed to sell over 5.36 lakh cars and grabbing a market share of 16.30 percent in India. The launch of Hyundai Grand i10 and Hyundai i20 along with all-new Verna backed by strong sales of Hyundai Creta has seen its manufacturing units in Chennai running full houses to cope up with the increasing demand. The company also exported over 1.53 lakh cars to various countries especially middle-east.

Indian Car of the Year (ICOTY)

1. 2008 — Hyundai i10
 2. 2014 — Hyundai Grand i10
 3. 2015 — Hyundai Elite i20
 4. 2016 — Hyundai Creta
 5. 2018—Hyundai Verna
- J D Power Appeal Awards 2016 demonstrating excellence of 'Made in India' Products as per global standards for Grand i10, Elite i20 & Creta.
 - JD Power Indian Customer Satisfaction Award 2017 – For Ranking Number 1 in After Sales Customer satisfaction.

7. MARKETING STRATEGIES OF HYUNDAI MOTORS INDIA

Target Markets

Hyundai marketing strategy is based on differentiated marketing. The primary consumer target is consisting of middle to upper-income professionals, who wants value for their money and comfortable ride in city conditions. The secondary consumer target group is college students who always need style and speed. The primary business target is of mid-sized to large sized corporates that always want to help their managers and employees by providing them a car with ease of transport.

The secondary business target is for entrepreneurs and small business owners who want to provide discounts to managers buying a new car.

Marketing Communications

By passing all messages through media, the Hyundai will reinforce the brand name & main points about the product differentiation. Research about media consumption, pattern will help the advertising agency to choose appropriate media and timing to reach prospect before & during the product introduction. Thereafter, advertising will be given a pulsing to maintain brand awareness and communicate various differentiation messages. The agency will also co-ordinate public relation efforts to build Hyundai brand & support the differentiation of message. To attract attention & encourage purchasing, the Hyundai offers limited time, registration & insurance. To attract retain & motivate channel partners for a push strategy, the Hyundai use trade sales promotions and personal selling channel partner.

Road shows

The company plans for the stage road shows and to display vehicles in the pavilions during various college festivals and exhibition. This will bring appeal to youngsters more and attracts them towards the cars of Hyundai.

Television advertisements

Advertisement to promote and market the product and market the products will be shown on the leading television channel. Major music and sports channel will promote and they will promote and they will reach out to the youth will be promoted through Star, Zee, Sony and Door darshan etc as it has more viewers, to promote a product like Creta.

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 listener actually own a set. So, radio announcements on various, play station like FM will be made and advertisement will be announced on the radio about the products features and price, qualities etc.

Print Ads

Daily advertisement in leading newspaper and magazines will be used to promote the products. Leaflets at the initial stage will be distributed at malls, college areas and various

other location. Product display was and is conducted in various shopping malls which have highest footfall.

Workshops and Seminars

Workshops and seminars will be held in colleges and big corporate to make people aware about the companies past performance and products features their affordability and usage, vast distribution network. Road shows will be conducted where free trials of the cars would be given.

Banners, neon signs

Hoardings, banners, neon signs will be displayed at clubs, discs, outside theatres and shops to promote the brand cars.

Booklets and pamphlets

Booklets will be in car showrooms, retail outlets, etc for the customer who wants to read. These booklets will provide the perfect information about the company the products offered which suits the customers need accordingly.

Rural Marketing

Hyundai Motors India has introduced with a new marketing initiative – ‘Ghar Ghar Ki Pehchaan’ to tap the India rural car market. The company has rolled out special schemes for government employees in rural areas and members of gram panchayats on the purchase of the New Santro.

Hyundai Motor is keen to expand its market to rural areas with settings up 300 new rural sale outlets, all this expansion is in progress for the launch of the cheapest car for the Hyundai stable until November this year.

Currently Hyundai is balancing its standard with 325 dealership outlets overall within cities and this new expansion strategy could make the rural outlet number network of India extend to 1,000.

Hyundai Motor's, India's second largest car manufacturer has announced to generate employment facilities for about 2,000 sales executives at these rural outlets. According to Hyundai Motors, the car markets which are present in areas outside the superior 40 cities are marked under rural areas.

Arvind Saxena, director of Hyundai marketing & sales given an interview for Finance Chronicle and said that the company has already placed 700 new outlets at rural areas with 300, more coming in way within the next few months. These outlets are just model made with small investments & not the typical outlets made with brick and stone. Their basic plan is to feel rural folks with car demonstration, test drives in addition with basic little requirements. These outlets are just model made with small investments & not the typical outlets made with brick and stone.

8. BRAND POSITIONING STRATEGY OF HYUNDAI MOTORS INDIA LIMITED

Brand Positioning is the most vital concept from brand's strategy. Brand Positioning is the linked with managing a brand's meaning. Today several brands of car positioning themselves on the features like Price, Comfort dimensions, Safety, Mileage etc. Currently Hyundai followed a very effective multi-segmentation strategy to grab the different segments of the market with different.

Santro

The Santro is the brand's first car in The India, and one's taken strong place in Indian people's heart and minds. Moreover, it was the first solid alternative to capture market might of Maruti Suzuki – fresh in design, high on quality, tremendous on space and, yet, rather good value; and it set the template for all Hyundai is that would follow for a long time. The other thing that noticeable with Indian buyers was the term Hyundai coined – 'tall boy', which went on to represent not just the Santro, but an overall segment of cars (like the WagonR) which used their height to maximise space.

I10

The Hyundai Grand i10 was the most exciting package in its segment at the time it was launched back in September 2013. It was priced promising, looked smart on the inside, had class-leading interior quality, segment-first features and was formed by a reliable after-sales network. The Grand i10 was offered with petrol and diesel power trains, the diesel motor was not the most powerful in the segment.

I20

The Elite i20 has changed the overall perception of hatchbacks. With its all new improved driving dynamics, added features, more space, modern and futuristic design, and the Elite i20 leaves a positive impact. In terms of features, Hyundai has loaded the Elite sufficiently and it was accepted very well.

Xcent

This is the perfect-match family sedan car for the young and modern family. It also satisfies the tag line of Hyundai "New thinking new possibilities". It's great for a nuclear family as based on young and modern this place you in very tech situation because of providing the very compact design, a car having widescreen and also having android auto play like Grand i10.

Verna

Elegant exterior and interior design describe Verna sophisticated from all angles. Brilliant ride and handling efficiency keep the car on high speeds very handy and easy on undulated roads. As far as features are concerned, the Verna has automatic projector headlamps with LED daytime running lights, electric sunroof, automatic climate control, 7-inch touch screen infotainment system, Mirrorlink, ventilated front seats, rear parking camera with sensors and dynamic guidelines and cruise control, these features are promising add more weight when it comes to compare with others.

Creta

The golden one, Creta brings a new benchmark in the SUV segment with class-leading features and unmatched performance and Hyundai are proud of its successful journey. Hyundai is a Customer-Centric brand and strives to deliver new values to its customers with advanced products and convenient services and maximum satisfaction.

Tucson

The 2019 Hyundai Tucson may not get your blood pumping with dynamic athleticism, but this compact SUV is composed for easy to drive. Inside, it's a package of quiet, comfortable, with technology. There are some drawbacks, which is why the Tucson finishes in the middle. Hyundai still makes a standard solid choice for many crossover SUV shoppers.

9. CONCLUSION

- Automobile market in India today is very dynamic & competitive with a range of players and products. There are many reasons for the impressive growth of the Indian passenger car Industry in past couples of years. In today's cutthroat competition it is very difficult to survive for this market. Stiff competition has forced manufacturers to be innovative and responsive for customer demands and needs and for future satisfaction. Hyundai motors India is a leading company in Indian Automobile sector which occupies prominent place due to its innovative strategic marketing, promotional, Brand positioning, advertising strategies. In today's scenario the success of company lies in structuring and restructuring the marketing strategies according to products and continuous innovation of the product services.
- India's largest car maker Maruti Suzuki India Ltd has an unlikely admirer — its fiercest rival is Hyundai Motor India Ltd. The continued dominance of Maruti, which controls 49.5% of the Indian passenger vehicle market.
- Volume-wise, Maruti is definitely No. 1 because they have 1.7 million units and Hyundai at 7 lakh (700,000). So, volume-wise and factory-wise, Hyundai cannot compete and overtake.
- Maruti has focus on bringing down costs and weight with every new model that it introduces. A 200kg weight reduction in every next-generation product is a tremendous job for competing in market. Hyundai needs to learn how to do that in order to maintain cost efficiency will match the price structure of the market leader. "Design, quality, features in Hyundai cars are much advanced. That is Hyundai's strategy... But sales are a different strategy. They cannot fight (there). Even Eon is more expensive than i20 is more expensive than Baleno. Adding that the absence of models such as Alto, Wagon R, Ertiga and Celerio in Maruti's portfolio is another reason for Hyundai not being in a position to take on Maruti.
- Hyundai is pretty much advance and optimise for rural and urban market point, his goal is towards the maximum market share with export and including import

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