

MARKETING STRATEGY OF MAHINDRA AUTOMOBILES



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INTRODUCTION

AUTOMOBILE INDUSTRY IN INDIA

In 2020, India was the fifth-largest auto market, with ~3.49 million units combined sold in the passenger and commercial vehicles categories. It was the seventh largest manufacturer of commercial vehicles in 2019.

- Domestic automobiles production increased at 2.36% CAGR between FY16-20 with 26.36 million vehicles being manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29% CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20.
- In FY21, the total passenger vehicles production reached 22,652,108.
- Overall, production of passenger vehicles, three wheelers, two wheelers and quadricycle reached 1,875,698 units in April 2021.

MAHINDRA&MAHINDRA

Mahindra & Mahindra was set up as a steel trading company in 1945 in Ludhiana as Mahindra & Mohammed by brothers K.C. Mahindra and J.C. Mahindra and Malik Ghulam Mohammed. After India gained independence and Pakistan was formed, Mohammed immigrated to Pakistan where he became that country's first finance minister. The company changed its name to Mahindra & Mahindra in 1948. It is one of the largest vehicle manufacturers by production in India and the largest manufacturer of tractors in the world. It is a part of Mahindra Group, an Indian conglomerate. It was ranked 21st on a list of top companies in India by Fortune India 500 in 2011.

- **M&M is the market leader in the Indian MUV and tractor segments of the automotive industry.**



1948 - NOW



2012 - NOW

OBJECTIVE OF THE STUDY

- TO GET THROUGH THE MARKETING STRATEGY OF MAHINDRA AND MAHINDRA.
- TO FIND OUT HOW MAHINDRA SUCCESSFULLY INCREASED ITS SALES THROUGH MARKETING.
- TO LOOK INTO DIFFERENT STRATEGY OF MARKETING.
- TO ANALYSE THE INDIAN AUTOMOBILE MARKET.



RESEARCH METHODOLOGY

- **MARKETING OF MAHINDRA AUTOMOBILES IMPROVES ITS SALES AND ATTRACTS A LOT OF CUSTOMERS IN INDIA.**
- **INDIAN MARKET IS ALL ABOUT SUV AND MAHINDRA IS LEADING IN THIS SEGMENT.**
- **WITH VEHICLES LIKE SCORPIO AND THAR THE COMPANY IS REALLY LOOKING INTO SOMETHING GOOD TOWARDS FUTURE.**



DATA ANALYSIS

SWOT

Strength

- ❖ one among top three player
- ❖ Strong brand name with market share of 42 % in Indian tractor business.
- ❖ Strong relationship with dealers
- ❖ Strong supply chain with new technologies.
- ❖ Product development ability.
- ❖ The parent company has its own Infrastructure Company, IT Company and Financial service company.
- ❖ Huge distribution channel in rural, urban and semi urban area
- ❖ huge product range and strong R&D . The team of >600 engineer pushes technology forward.
- ❖ High investment capacity
- ❖ Diversified business

Weaknesses

- ❖ The company is highly dependent on the rural sector
- ❖ Less technological ability as compared to Foreign players
- ❖ Low labor productivity

Opportunities

- ❖ Growing economy and improved farm practices
- ❖ Increase in farm mechanization due to labor scarcity.
- ❖ Emerging market because only large and medium farmers use farm machinery. Huge market potential. penetration of tractors is 20 tractors per 1000 hectares of cropped area
- ❖ Increase in credit availability
- ❖ Technological innovation
- ❖ Government support for farm mechanization
- ❖ High export potential due to low cost of manufacturing. (exported 13722 tractors)

Threat

- ❖ Dependency on rural segment and monsoon
- ❖ Farm land fragmentation
- ❖ Entry of foreign players
- ❖ Increase in diesel prices reduce tractors sales
- ❖ Development of technically superior new models
- ❖ Government policies (Subsidy)

Carmakers' market share in India (FY 2017-18)

SIAM

Others (Nissan, FCA, VW, Skoda, Isuzu) : 4.41 percent

Ford Motor India : 2.73 percent

Renault India : 3.1 percent

Toyota Kirloskar : 5.27 percent

Honda Cars India : 5.17 percent

Tata Motors : 6.39 percent

Mahindra & Mahindra : 7.56 percent

Hyundai Motor India : 16.3 percent

Maruti Suzuki : 49.98 percent



FINDINGS

- **1. With the help of employees of Mahindra automobile, I came to know marketing strategies are very effective to increase the sales of the product. With the help of marketing strategies companies segment their product according to the customer and due to advertisement and other communication tools they can position their product in the minds of the customer so we can say that marketing strategies can help to increase the sales of the product.**
- **2. They have to face too much problems when they are making marketing strategies because of competition and technology. As we all of us know that day by day the competition is increasing and new technologies are coming everyday so every company will try to be best. If any company want to be highlight in the market then they have to make different marketing strategies than other companies in the market. So they have to face some problems to make different marketing strategies.**



3. Due to the employees of the Mahindra automobile, I knew about how and why they segment the products. To segment the market there are so many basis of the market segmentation like geographical, demographic, psychographic and behavior segmentation. There are so many reasons to segment the market like better matching of customer needs and to enhance the profits, to retain more customer and to position their product in better way.

Different Car Segments



RECOMMENDATION

- **Focus on pricing in compare to its competitors like Hyundai and Maruti Suzuki.**
- **Go with what Indian buyers are attracted to like panoramic sunroof, wireless charging.**
- **These are low-cost features where buyers seem to look in.**
- **Focus on every segment like sedan, hatchbacks and premium hatchbacks, sale volume of these segments is very high in India.**
- **Built Quality in low segment cars which many competitors are not providing can be a good chance for Mahindra to put its vehicle in the segment.**
- **Design platform, many of its competitors are focusing on design and customers are attracted to it.**
- **Mahindra can design well and give great competition to its rivals.**

CONCLUSION

Automobile market 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. Some of these are easy availability of vehicle finance, attractive rate of interest and convenient installments. In today 's cutthroat competition it is very difficult to survive. Stiff competition has forced manufacturers to be innovative and responsive to customer demands and needs. Mahindra once dominated the Indian SUV market and lost ground to rivals Renault and Ford Motor Company. It now also faces competition from vehicles to be produced by Maruti Suzuki India and Hyundai Motor Company.

Last weekend, Mahindra took 200 executives from 100 vendors to the DoubleTree Hilton hotel in Warsaw, where top company officials told them of plans to attain 26% growth in the automotive segment this year.

With no major recent additions to models such as Scorpio, Xylo and XUV 500, M&M's sales volumes slumped and it ended the previous financial year with a 37.4% market share in the utility vehicle (UV) segment, from about 55% three years ago. The company lost its third spot in the overall market to Honda Cars India. Maruti Suzuki and Hyundai are the top two.

M&M may have been the undisputed leader in the UV segment earlier, but things are different now. "Competition competes in all aspects — from brand to price to consumer satisfaction. Global players with attractive and latest products are offering an increased choice to Indian buyers.

The UV segment, which makes up for almost half a million units, has attracted many new entrants including the EcoSport from Ford and Renault's Duster. With Maruti Suzuki, Hyundai and others lining up new SUVs, competition will intensify.

Overall, M&M is doing good in the market, and adopted some great marketing strategy and playing to win, What Mahindra can really look into is pricing according to their products and competitors.

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