



## **Research Project Report on A Study on Market Segmentation of Maruti Suzuki**

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### **ABSTRACT:**

The Indian automobile industry is adopting new technologies to upscale its business post-pandemic. Information centric technology plays a major role in the industry. Business automation refers to the use of software programs to automate monotonous operations, freeing up personnel for higher-value work. Business process automation, robotic process automation, and AI-powered automation are all included in this. Automobile manufacturers are not just limiting digital technologies to their factories and vehicles. They are trying to Automate other aspects, such as dealership, sales, and customer service. The automobile industry is undergoing digital transformation at a very fast rate. The main reason for Manufacturers to opt for digital transformation is savings on cost, customer retention, and Scaling up operations. One such industry in the country is Maruti Suzuki India Limited, which has been integrating digital technologies into many parts of its supply chain in both urban and Rural locations. With the purpose of identifying new skills, and investment opportunities, and finding contemporary solutions using data and breakthroughs in the fields of AI, IoT, and other associated technologies, the company recently dedicated almost 20 Crore towards digital transformation.

**Keywords:** *Maruti Suzuki India Limited Ltd., Innovation, Business Automation, Customer Relationship, Digital Technology, Automobile Industry, Industry Analysis*

## **1. INTRODUCTION**

### ***1.1 The History of Maruti Suzuki India Limited:***

Maruti Suzuki India Limited is a New Delhi-based manufacturer of automobiles in India. It was founded on February 24, 1982, and was formerly known as Maruti Udyog Limited. Maruti inked a joint venture and a license agreement on October 2nd, 1982, with Suzuki, the world's largest automaker. Maruti Suzuki India Limited is owned by the Japanese company Suzuki Motor Corporation (MSIL, formerly known as Maruti Udyog Limited). For more than 25 years, Maruti Suzuki India Ltd. has dominated the Indian automotive market. In 1983, the business introduced the Maruti 800 and began operations. By exporting 500 automobiles to Hungary, it also made its international debut. The Indian auto industry has undergone a transformation, and Maruti Suzuki India Limited has emerged as a pioneer. The company manufactures passenger vehicles and does sales in India. Gurgaon and Manesar, both in the state of Haryana, are home to the company's production facilities. The business also operates a state-of-the-art R&D facility in Rohtak, Haryana. Maruti Suzuki India Limited has expanded from its small

Maruti 800 series beginnings to a wide range of 16 automobile models with more than 150 variants. The model lineup of Maruti Suzuki India Limited covers everything from tiny hatchbacks to sedans and crossovers. Maruti Suzuki India Ltd. is the manufacturer of popular brands of cars such as the Ciaz, Ertiga, Wagon R, Alto K10, Swift, Celerio, Swift Dzire, Baleno, Omni, Alto 800, Eeco, Ignis, S-Cross and Grand Vitara. The business also makes things like used car sales, fleet management, and auto financing possible. Currently, the company produces 1.5 million family automobiles annually, or one every 12 seconds. Additionally, it employs 12500 professionals who manufactured 14 family vehicles with more than 150 variations. The stock of the company is traded both in the National Stock Exchange and the Bombay Stock Exchange. Currently, the company holds 56.2 percent of the company's stock.

### ***1.2 Business model of Maruti Suzuki India Limited:***

Maruti Suzuki India Limited creates its vehicles taking into account the needs and amenities of both the middle class and the upper class. For this reason, the corporation creates a wide array of its products with reasonable costs and characteristics. The company manufactures, purchases, and sells motor vehicles as well as their accessories (automobiles). The firm also facilitates the selling of pre-owned cars through True-Value hub and car finance.

The large selection of cars and excellent customer service are the cornerstones of Maruti Suzuki India Limited's business strategy. Due to the marketing issue brought on by the COVID-19 pandemic, the automobile firm recently switched to the digital platform. The core values of the company include:

- Flexibility and Learning
- Creativity and Innovation
- Fast, Flexible, and First mover
- Client Retention
- Partnership and Networking

Maruti Suzuki India Limited chose the digital realm for better content marketing and greater client involvement to keep up with its rivals. The use of digital platforms has grown to be a core component of Maruti Suzuki India Limited's business strategy. The delicate nature of digital media received about one-fourth of the company's overall marketing spend. Due to relatively lower per-capita earnings and heavy traffic in metropolitan areas, the demand for tiny automobiles is the strongest. Hatchbacks are the most popular vehicle type in the Compact and Mini sub-segments because of their low cost, excellent fuel efficiency, and ease of movement. In India, Maruti Suzuki India Limited is the dominant brand in the passenger automobile market. There are many models and variants that are manufactured by Maruti Suzuki India Limited. The figure below shows the classification of models depending on the need and economic status of individuals.

Maruti Suzuki India Limited adheres to a specific methodology to deal with the disparity between online marketing and client experiences at the dealership. In India, the company's largest Dealer Digitization Program has helped bring almost 900 dealerships online. Maruti Suzuki India Limited has been making

Significant sales and receiving excellent customer service as a result of the evolving digital technology. Maruti's business strategy is centered around achieving client pleasure. Customer happiness is crucial in a market where businesses compete for customers. Customers that are happy with the experience are more likely to return for further products and services and to be loyal customers.

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## 2. OBJECTIVES :

The objectives of the industry analysis presented in this paper are:-

- (1) To highlight the factors that have contributed to the success of Maruti Suzuki India Ltd.
- (2) To analyze the various business strategies to predict the sales of the products and the spares of the company
- (3) To analyze the sales and financial aspects of the company over a time period.
- (4) To describe the various developments made by the company to be one of the largest automobile industries in India. published papers, newspaper articles, and company websites of Maruti Suzuki India Limited.

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## 4. LITERATURE REVIEW:

Menon Balkrishnan & Dr. Jagathy Raj V.P, (May 2012) in their research paper, Various consumer purchasing behavior patterns of passenger vehicle owners in the state of Kerala were emphasized during the model construction and validation process for researching consumer preferences of automobile owners. According to their research, customer focus is a key difference in the passenger automobile market. Customers in this sector demand specialized after-sales support from manufacturers. The study also shows that for young people, the peer group is the biggest influence on their decision to buy a car.

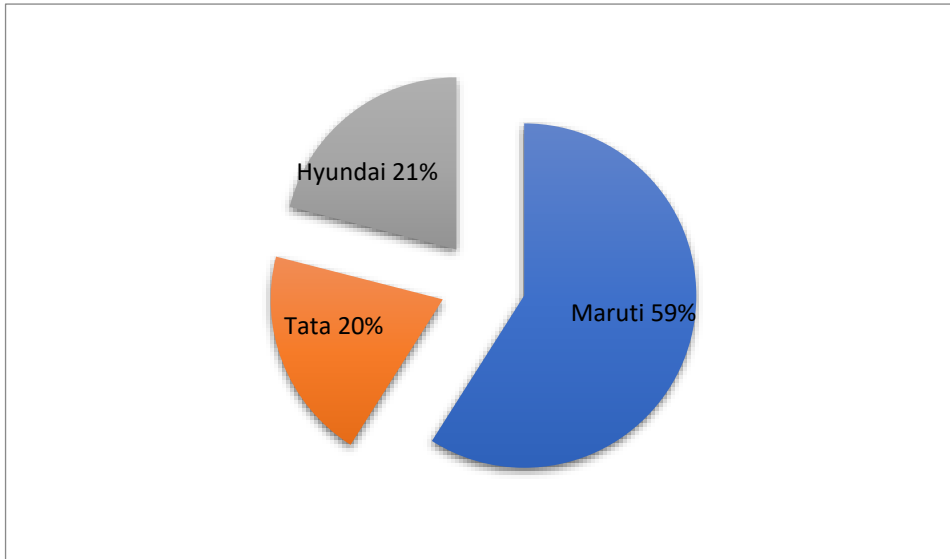
Dr. R. Menaka, K. Ashath (2014) in their research paper concluded that consumers' ongoing lifestyle changes are to be blamed for the market's evolution, which results in the globalization and integration of economies. Without a thorough understanding of the consumer's purchasing behavior, it is challenging to segment the new consumers using traditional demographic tools. If consumer preferences can be roughly predicted and properly analyzed, decisions on product design, product variants, branding, and distribution channels are made in response. These decisions are then put into practice to ultimately satisfy the consumer. Kanagaraj, M. P, et al. (2018) in their research paper concluded that discounts and other incentives made by businesses more strongly entice consumers and persuade them to purchase the goods. This led researchers to the conclusion that consumers are happy with Maruti's marketing initiatives and are well-informed about the vehicles the company offers. According to the data, the majority of consumers have been using the same brand for a very long time, which led to the conclusion that consumers do not frequently transition between brands. Synonym for cars in Indian families.

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## 3. METHODOLOGY:

The data collected for the case analysis is collected through several secondary sources like journals,

### Figures and Tables



Showing Market Share in A2 Segment  
Description

Maruti	59%
Tata	20%
Hyundai	21%

Reference:- Auto India (Automobile Magazine), March 2012

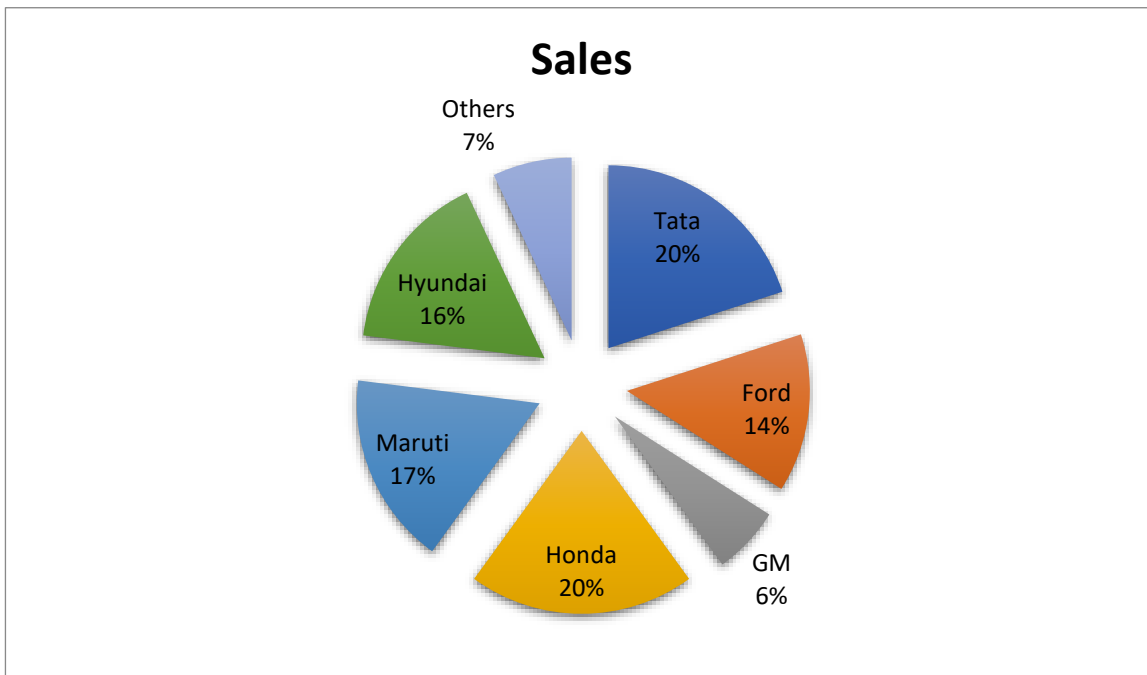


Fig 4.4

Showing Market Share in A3 Segment  
Description

Tata	20%
Ford	14%
GM	6%
Honda	20%
Maruti	17%
Hyundai	16%
Others	7%

Reference :- Auto India (Automobile Magazine), March2012

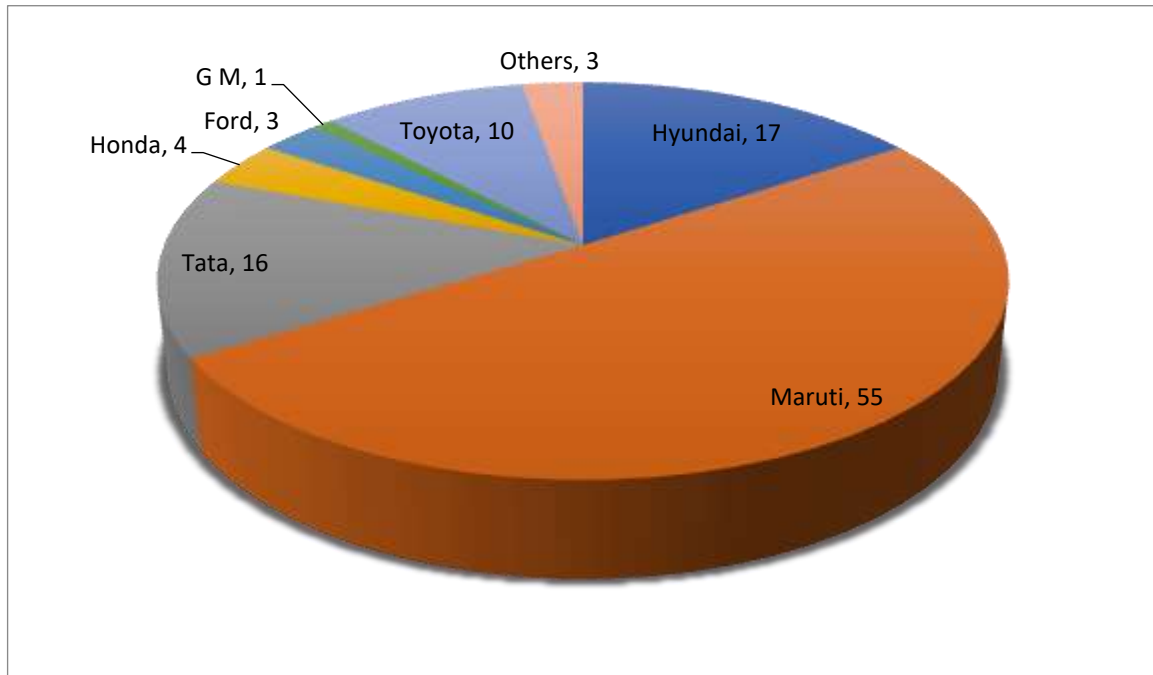


Fig 4.5 Showing Market Share of passenger cars

Description

Hyundai	17%
Maruti	55%
Tata	16%
Honda	4%
GM	3%
Toyota	10%
Others	3%

## CONCLUSION :

With a variety of competitors and products, the Indian automotive market is currently quite dynamic and competitive. For many reasons, the Indian passenger car market has expanded substantially. With a vast variety of businesses and products, the Indian vehicle market is today extremely competitive and busy. For many reasons, the passenger car market in India has expanded tremendously. A few of the features include simple access to auto loans, appealing interest rates, and affordable monthly payments.

Manufacturers have been forced to innovate and adapt to customer desires and requirements to remain competitive in the present market conditions. Because of its innovative strategic marketing, advertising, and brand positioning, Maruti Suzuki India Limited dominates the Indian vehicle market. A company's

ability to succeed in the fast-paced commercial environment of today depends on the development and restructuring of its marketing plans as well as ongoing product and service innovation.

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