

Marketing case team

[Business](#), [Marketing](#)



The Indian auto industry is projected to grow at a 17% annually with an automobile production of 1.1 MN in 2008-09. Out of this 75% are 2 wheeler owners which we believe is a very good potential market for Anna. We will utilize our strong reputation and long standing relationships to co-liaise with suppliers for inventing this light weight car. By continuing to position our brand as for the people' and high- quality, marketing will remain consistent through dealerships. Business objectives for the Anna - Nikkei & Lexis

High technology and small size defined the advent of Anna (which means small in Gujarati) in the Indian auto market. The prefix is also originally derived from the Greek $\nu\Gamma$ vs., meaning " dwarf" (a Anna = IOWA-9 in the metric system). Data with this product entered a blue ocean market, the business strategy highly motivated by the 'Collaborative marketing strategy defined by what customers need to make a better life. Our sales goal for Data Anna in its first year of launch is 1.46 MN Nanas.

Anna should launch 50000 Nanas (precooked) initially limited by the plant production opacity and selling on a rolling basis with the set-up of the new plant at Sand, Gujarat Automobile production Type of Vehicle 2008-09

Market share	Comments
Passenger vehicle	Indict was behind Marti 800 (leader in passenger vehicles)
Commercial vehicle	416870 4% Data was the leader
Three wheelers	497, 020 Potential to tap this market for taxi conversions
Two wheelers	8, 419, 792 75% Very good potential market for Anna

Total 100% With an initial investment of 3*1500 scores INNER Data aliased with 100 different suppliers to get a starting production capacity of 1 MN (350, 000 Nanas from new plant lilt in Singer, West Bengal and 2 additional plants with similar capacity).

They shifted to a new site at Sand, Gujarat due to protests from farmers on claiming their land and also set up a temporary manufacture site at HTML Pantry. Capacity of this plant was only 50000 Nanas. Market for Data Anna - Andrew Expanding middle class= 5%in 2005, 19% in 201 5, Anna launched in 2009, can take a an average of 12% as the potential middle class 1. 1 Bin*12% (middle class)* (12/1000 car ownership) = 1. Mann potential car owners Segment Description Main competitor models Tj? Price range (INNER) Entry level hatchback Marti 800 200, 000 Alto Hatchback Indict 300, 000 Honda motorcycles/Scooters/Mopeds Switch rate from other cars would be very less.

New users would buy Anna as opposed to Marti 800/Alto/Two wheeler (17% growth rate * 1. Mann = 270, 000 new car owners) Switch rate from two wheelers ({17% growth rate *8. 419 MN new users+ 8. Mann old users} *20% switchers= 1 Nana's market share = 20% from Marti + 10% from its own share = 30% * 81000 Nana's market share from two wheelers= 70% (due to lower cost) * 1. Man = 1. Man 81000+ 1. Man = 1. Man Potential Economic risks and challenges- Safety and quality issues arising due to reduction in costs associated with manufacturing. But Indian suppliers saw it as an opportunity to expand their own operations and the goodwill amongst the society for Data helped the cause.

Rather than improving life for the masses it would do harm by putting millions more passenger cars on Indian's already congested roads poorly maintained roads increasing air pollution at odds with data's green initiative Target market Andrew Introduce STEP framework, continues into positioning

statement We can include the many, consumer and competitors (ACS) here in this question: Company history Consumer : Segmentation (age/demographics/income) Price elasticity Competitors-substitutes (scooters/taxis/authoritarians in India), competitors (cheaper than Marti, Zen, smaller cars) Positioning and rationale Our official position statement for the Data Anna is the following: To middle class Indian individuals, the Data Anna is the world's cheapest car that promises a safe and reliable way of transportation, based on the Data Group's longstanding reputation of being trustworthy and having strong ethics. Based on all the research and development that has gone into making it a light and affordable car, the Anna offers an added value to the two sub-groups of aspiring car owners we identified: 1. To Indian middle class families, the Anna provides safety, reliability, space and comfort 2.

To young individuals going up the hierarchy ladder or graduating, the Anna represents a stylish alternative while still maintaining invulnerability and affordability of a 2-wheeler. Owning a car is also often considered a token of status in India. Note that individuals within these two groups might either use public remonstrations or own motorcycles. These two sub-groups do not look for technology and innovation, but rather practical solutions and convenience. We therefore target the late majority and laggards in Rorer's Diffusion Curve. Another reason to believe in the car's success consists in that the Anna is the car potential buyers didn't know they needed, between the motorbike and the small passenger car, which sets it apart in prospects' view.

According to Levity's Product Augmentation framework, the Anna represents an augmented product when compared to 2-wheelers, and therefore exceeds expectations (stables for extra safety, roof for poor weather conditions and space for luggage storing or extra passengers), providing "customer delight". As the most affordable car in the country/world, it the best alternative for every individual that has a WTG (willingness to pay) equal or higher than 1 lake. To sum up, the Anna offers superior service at an affordable price, which is the very essence of value proposition (see our proposed STEP strategic planning below). In order to explain the rationale of our recommendation and prove why we consider t superior to other potential positioning alternatives, let's have a look at the ups.

The product, Data Anna, is according to the Group the cheapest car in the world, without having the image of being "cheap", therefore avoiding having a negative perception from potential consumers. Keeping reliability, safety and quality remains credible as Data Motors already has experience in the automobile industry, with the production of passenger-cars since 1991 and representing 16.45% of market-share (notably thanks to the visibility of the Indict). Therefore, and in terms of pricing, the Anna indubitably needs to adopt a penetration strategy (high SOME - share of available addressable market share) due its low cost, which means low margin in absolute value.

Pricing the Anna at less than half the price of its main competitor, the Suzuki Marti, while offering similar features and quality (see Exhibit 4 of the given case), is a strong differentiator. In terms of place, Data Motors plan to produce the Anna in the Sand plant, and make it available nationwide

through the company's 214 dealerships. This guarantees proximity to potential customers at least in urban areas. Data was also thinking about contracting with entrepreneurial engineers in order to reach rural areas, which is something we would not recommend as quality would in this case be unreliable, which contradicts our positioning statement. In addition, most Indians with a high enough WTG for a Anna are located in urban areas, therefore limiting potential profits (at least for now) in rural Indian.

We will develop our ideas regarding promotion and distribution in the following section. Implications on distribution (selling channels) and promotion (marketing communications): Mark Positioning Targeted at growing middle class (Disposable income RSI 200, 000 to 1 million, growth from 5% to 19%, up to 41% in 2025), with a median age of 25 year olds in Indian. Character of consumers: while spending increases (17% for transportation in 2005, equating to 85, 000 to 170, 000 RSI), absolute values of income stay low equating to savvy consumers that desire value. Competition: Will need to compete for college aged value seekers, in both motorcycle and entry level hatchback segments.

Will need to address threat of cannibalism with existing product Indict in the A (entry level hatchback category). To note Marti holds 58. % of compact car sales and the Indict has a 17% share of this segment. Pricing difference should be a deciding factor that makes the Anna a definite A level value, but we could see a loss of 17% share of Indict sales in the A category (though it sells in the Bal category), which means Anna sales MUST make up for this loss (a thought toward business plan/ mission statement). According to the

figures provided when comparing Exhibits 2 and 6, Indian middle class consumers are price sensitive, and will therefore privilege, all else being equal, the Anna if it has a lower price than the competing Marti.