

Strategy of mercedes benz in india



**ASSIGN
BUSTER**

Mercedes-Benz India has evolved a four-pronged strategy towards passenger cars this year as it transfers its truck and bus business under Daimler India Commercial Vehicles (DICV). The company had been selling buses — inter and intra city and Actros mining trucks — in the India market, which would now fall under DICV portfolio. Project as performance oriented brand by introducing new models. Mercedes-Benz plans to launch eight new products this year, invest in dealer network, improve overall ownership cost and double production at the Chakan plant. Going forward, Chakan will be for passenger cars and Chennai will be for trucks and buses. More sales outlets, with the A-Class clocking in 400 bookings since its launch earlier in May 2013.

Starting with the launch of G63, Merc plans to drive in its much-awaited premium hatchback A-class in diesel and petrol variants by end-2013. Other launches are the new GL in May 2014 and the B-class diesel variant around the same time. Mercedes-Benz is doubling its production capacity from 10,000 units to 20,000 at Chakan by end of year 2013 to make space for the new models. Moreover, the company is looking at localisation in a big way to improve ownership cost to the customers.

Mercedes-Benz assembles models like S-class, E-class, C-class and M-class at its plant with localisation ranging from 10% to 60% over various mentioned models. Pushes for pre-owned cars. According to an estimate, the domestic used car market is 1.3 times the new car market. The pre-owned segment is largely unstructured in India and with new financing options, customers could upgrade to newer models at ease by returning used cars. Try to shred the old-man image associated with the brand.

Bank upon the Modular Front Architecture platform to woo buyers.

Marketing Strategy Audi India

Positioning in Luxury not as broad, but micro segment of luxury entry which will be having highest growth among all segment. All standard products, as Indian Market will be matching with the Global standards. Distribution of special zones with high and affluent people. Branding for Inspirational and aspirational attributes.

Meeting high requirement of working capital through sustained market share and service bundling.

Marketing Strategy BMW India

India is one of the major growth markets for BMW and they are confident of maintaining their leadership in the premium segment through launches, dealerships expansion and customer delight. Planning to assemble more products in the country at our Chennai factory to increase volume growth. Plan to expand our completely-knocked down range in India. By April, the 7 series will be assembled in Chennai, which will be followed by the 1 series by the end of 2013. With this, the company will have six products (1 series, 3 series, 5 series, 7 series, X1 and X3) assembled in India.

Market Analysis of BMW, AUDI & Mercedes

In the Indian car market, the demand for new vehicles has been sluggish since the beginning of 2013. However, this is not the case for luxury car manufacturers like Audi, BMW and Mercedes-Benz. Riding on the back of new model launches, the German triplet has made significant inroads in 2013. Mercedes-Benz, in particular, stepped up the ante as it introduced

several new models and their facelift versions. The company had a revival of sorts in India as not only the demand for vehicles surged but the overall market share also rose considerably. According to estimates of Mercedes-Benz, the Indian car market is going to outpace the demand of other emerging regions like China, Brazil and Russia.

Led by the new generation compact cars A Class and B Class, Mercedes Benz India has bridging the sales gap with a rapid pace. Mercedes Benz India was ahead of Audi by selling 151 units more. Mercedes Benz India sold 2, 696 units in July to September of 2013 as against 2, 545 units sold by Audi in the same period. Mercedes Benz first overtook its Munich based luxury car rival BMW in the first quarter of 2013 to regain the number two position and now Audi in the quarter 3, but for the full year, it is still number two. Audi is still pretty on the number one position for the calendar year starting January to September 2013, with sales of 7, 391 units.

Mercedes Benz India trails by a significant 930 units, registering sales of 6, 461 units in the same period. Announcing the Q3 results, Eberhard Kern, MD & CEO, Mercedes-Benz India said: " Our year of offensive strategy yielded satisfactory result as we continue to improve our strong performance with each quarter, amidst one of the toughest market situations faced by the industry. We are confident of maintaining this positive momentum for the remaining quarter and achieve our targeted growth for 2013." The main catalysts for Mercedes-Benz have been A-Class and B-Class models, which have further helped to increase the market share.

Audi on its part with the locally produced Q3 and expanding dealer network is confident of holding on to its number 1 position for 2013 and aims at being

the first luxury car maker in India to sell more than 10, 000 units in India. After growing by 25-30 per cent since 2007 till 2011-12, the luxury car market too is facing the heat of the slowdown. Barring the entry level cars like Mercedes Benz A Class, B Class, BMW 1 Series and some SUVs like Audi Q3 and Q5, which brought incremental volumes in 2013, the traditional saloon segment of Mercedes Benz C Class, E Class, S Class, BMW 3, 5 or 7 series and even Audi A4, A6 and A8 have remained sluggish. During 2013, Mercedes-Benz introduced eight new models in which the sales of performance oriented brand, AMG picked up by a fair bit.

The German manufacturer is trying hard to shred the old-man image associated with the brand. It is banking upon the Modular Front Architecture platform to woo buyers as it has already helped the company to come at par with its rivals like Audi and BMW. Industry players, say the market is likely to post 10-15 per cent growth in 2013 only on the back of these entry level models and SUVs. In 2014, Mercedes-Benz aim to expand in double-digits faster than the market." Industry experts have already predicted that Mercedes-Benz would come hard at Audi in 2014 banking upon of new model launches that include next generation S-Class. Mercedes-Benz is famed for producing high-end vehicles in the country. As a result of this, customers and luxury car aficionados have shown affinity.