

Business  
environment of  
mahindra mahindra  
marketing essay



**ASSIGN  
BUSTER**

Mahindra & Mahindra was first started In 1942 in Ludhiana named as Mahindra and Mohammed by K. C Mahindra and J. C Mahindra brother with Mohammed . after India got independence it got changed to Mahindra and Mahindra in 1948. Mahindra and Mahindra at first it manufactures only general purpose vehicles . M&M introduced jeeps to India later it introduced light commercial vehicles and agricultural tractors and army vehicles. M&M is one of the leading tractor brand in world, it acquires plants in china and UK and 3 assembly plants in USA . M&M has partnerships with international companies like international truck and engine corporation, USA and Renault SA, France. M&M products are exported to many countries. M&M was the largest tractors manufacturing company in India and commercial vehicles like bolero, Scorpio and Xylo.

Firstzeep multipurpose tractor

Seeder harvester

2 wheeler bolero

Scorpio xylo

Mission/Vision : M&M mission/vision is fully collaborative environment in which suppliers can deliver exactly what the need. To create largest automobile and related products distribution by dealers and customers .

### **Goals:**

goals of Mahindra is to provide highly technological product and service.

Average tractors per 1000 Acres is 19 world wide that has to reach in india also.

Low interest rates for agricultural purpose

M&M expects 300 u. s dealers signed when it begins selling an suv

Mahindra wants to enter almost all continents of the world

### **Awards:**

Mahindra & Mahindra received the prestigious National Energy Conservation Award from the Ministry of Power in 2003

In 2004 M&M received golden peacock national quality award for the firm equipment sector

In 2005 M&M has been awarded star performer by engineering export promotion council

In 2005 M&M received pc quest's best IT implementation

In 2006 M&M received MIS AsiaIT Excellence award

CNBC Asia Business Leader Award for the year 2006

In 2006 systech received the best supplier award from benteler automotives

Business Man of the year 2007 from Business India

In 2007 M&M received gold award for csr at the Pegasus csr awards

M&M received intelligent enterprise awards 2010 in industrial production

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**Milestones:**

in 1953 otis elevator company was established

in 1954 collaboration with willys overland corporation to assembly

in 1957mahindra owen established joint venture with rubbery owen & company limited uk

in 1962 mahindra uquine steel company is established

in 1963 international tractor company of india is establishe

in 1983 M&M became market leader in the Indian tractor market

in 1991 introduction of commander range vehicle

In 1986 Tech Mahindra (formerly known as Mahindra British Telecom) is established.

In 1994 Mahindra group created 6 Strategic Business Units they are: Automotive or Automobiles, Trading, Farm Equipment, Infrastructure, Financial Services, Information Technology(earlier it is Telecom and Software) and Systech(earlier it is MSAT).

In 1999 Mahindra group launched a 3-wheeler vehicle which is environmental friendly, a battery-operated.

In the year 2007 Mahindra group focused on health and the environment. It launched Mahindra Hariyali, which aims to add 1 million trees to India's green cover and it also launched Lifeline Express

In the year 2007 Tech Mahindra LTD launched Tech Mahindra Foundation on June 13th 2007.

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## **PESTEL analysis**

Political factors : organization which operate within their own country are generally well aware of the political structures that are in operation . with in the increasing number of global businesses, the political dimentionsion is important for many organizations and generates opportunities and threats in equal measure

Issues to be considered include:

Taxation

Trade protection

Stability of political systems

Government prompt to do tractors with new mechanism that help farmers to produce crops I east way for that government released some

Mahindra & Mahindra launched multi utility tractor “ shaan” in 2006 to increase crop production

Government laid stress on Mahindra & Mahindra to increase the production of tractors to increase crop production

Mahindra and Mahindra Increases NPA(non performing assets) pressure on banks in certain states

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Economical factors: A recession can have a significant effect on whether current customers can afford to continue purchasing certain types of branded products, particularly luxury or leisure-oriented ones that are generally ascribed to discretionary income categories. Equally a rise in raw materials cost such as oil, will affect the financial performance of brand

Mahindra and Mahindra is largest tractor manufacturing company in India and the tractors are cheaper in India

Vehicle sales increased by 43% by loan facility interest rate is also very low

Exports of tractors is also increased by 26%

Production of crops is also increased by tractor performance so that exports is also increased

Social factors: social factors relate to the lifestyles , habits, trends, fashions and beliefs of people.

Change in nation norms and values

The demand of caring others

Medical advances causing an increase in the average age of the population

Career expectations of employees

Training and development expectations of employees

Environment issues

Corporate social responsible is their vision

In 2005 on 60th anniversary group decide 1% on profit to corporate social responsible after the tax

In 1953 K. C Mahindra trust is to provide education it is registered as a public charitable trust released 13. 50 crores in the form of scholarships

Mahindra foundation is established to provide medicine to poor

In 2009 M&M contributes 49, 280 man hours to towards social program

4) Technological Factors : technology can create radical change and create great disruptions or distortions in pre-existing markets. Technology factors involve changes in technology and advanced in the process of production . advanced in in technology are increased at the fastest pace in our history.

> M&M first released tractors it just dig the land to crop

> later technology changes M&M launched multi utility tractor “ shaan”

> at present harvesters are launched to harvest the crop with out labour

5) legal Factors: this is often linked to the political situation within a market. changes in legislation can have serious effects on brand longevity

a) M&M conduct business as a responsible corporate citizen, M&M expects their employees to work with this principle

b)a common approach is adopted in M&M because their business is spread over different locations

c) agriculture policies collaboration with government

6) Ecological factors: Global warming will impact brands in the future and may already be doing so at present in ways yet difficult to pinpoint .

automotive manufacturers , no matter where they are in the world, will need to consider replacing the current combustion engine, not to mention more deeply considered the life cycles of their products far beyond their useful functional life

a)energy saving initiatives: optimization of electrical distribution leads to energy savings according to demand management, 470, 403 kwh saved

b) automated paperless warranty claim: co2 is the main harmful gas that depleted ozone layer recycling of paper leads to decrease the 40 % cutting of trees

c)wagholi village situated in pune district, Maharashtra was also facing water problem with the investment of rs 12lacs reservoir project execution was maintained by Mahindra

## **SWOT ANALYSIS:**

SWOT (Strengths, Weakness, Opportunities, Threats) of Mahindra & Mahindra group

### **Strengths of Mahindra & Mahindra**

There is government support for M&M A+

Mahindra & Mahindra launches new products with great technology it is use full for farmers

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Domain specific business: tech Mahindra focused on the telecommunications so that industry to enable to develop the company

Tech Mahindra also developed “ VOIP” voice data convergent systems include voice over internet protocol and location based services for the next generation

Solution support systems: business support systems, operations support systems, next generation services , life cycle support services

Mahindra gears is leading manufacturer of quality gears in 1987 it produce 150, 000 quality assure gears every month

Focus on research and development: M&M maintain relationship with R&D with leading technology for next generation solutions to developed applications focused on ip services

## **Weakness of Mahindra & Mahindra**

The company is highly dependent on rural sectors, rural sector is highly dependent on monsoon, it got impact on sales

R&D is not world class

Manufacturing company not attracting the best management talent

Aggressive distribution and selling culture absent

Customer interactions not very regular

## **Opportunities of Mahindra & Mahindra**

Well poised to exploit the growing sports utility vehicle market

Low manufacturing cost in india for exports

Diesel offers lower running costs

Rural demand is increased

Mahindra & Mahindra group will be more competitive in Chinese market if they provided after sales services.

the government has trying to strengthen the exports of agricultural products

they need better rural and agricultural infrastructure. result in increasing the demand of tractor

in India 10 tractors per 1000 hectares which is much below worlds average is 19 tractors for same there is scope to demand increase.

## **Threats of Mahindra & Mahindra**

India has become a hot destination for all auto giants.

Environmental impact of diesel can impair future growth.

Scorpio lacks the brand image possessed by pajero, prado , etc they could launch stripped-down versions to tap the lower sports utility vehicle.

The company is investing in unrelated fields such as telcom, holiday and resorts inn , it is a dangerous tendency as it leads to destruction of share holders value.

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Entry of foreign players in the tractors segment could pose a threat to the company, foreign players are technically more competitive than Mahindra & Mahindra.

Competition is also increasing

China don't have banking facilities they are undeveloped.

FOUR I's of Mahindra & Mahindra:

The four I's:

1. INNOVATIONS.

2. INITIAL CONDITIONS.

3. INVESTMENT.

4. INSTITUTIONS.

1. INNOVATIONS: Mahindra & Mahindra is one of the top industry in India.

M&M is always leader in innovating new products that is helpful to the country . Mahindra received excellence in innovation award in 2008

innovation is the core of its growth strategy

According to this M&M group:

a) Mahindra is always forefront of innovation, customer is the primary role played in our innovations." Innovation should start with the insight about customer, which the Mahindra & Mahindra group found by going to fields and observing the lives of farmers.

- b) The Mahindra & Mahindra group encourages the experiments.
- c) Promoting the culture of innovation through the business to get revenue and growth
- d) M&M is facing challenge of innovation and helping individual to move to new levels of performance.
- e) The important point in this is that great products should have great design.

Thus M&M maintained culture of innovating

2. INITIAL CONDITIONS: initial conditions means providing the potential for catching up poor Provides the potential for ' catching up'. Poor countries can grow faster when they set on a convergence path to the rich economies.

Mahindra adopted sathyam when IT totally lost and named it as Mahindra and sathyam

M&M makes deal with R&D when it is weak

3. INSTITUTIONS:

The Mahindra & Mahindra entered into different field

Automotive: the Mahindra automotive sector is to manufacturing and marketing utility vehicles and light commercial vehicles and three wheelers

Two wheelers: the two wheeler sector of Mahindra designed scooters and motorcycles

Farm equipment : Mahindra & Mahindra is on top 3 tractors brand in the. it received japan quality in 2007

Financial sector: Mahindra & Mahindra Financial Services Ltd is leading non-banking finance . it provide finance to utility vehicles, tractors and cars in rural and urban sectors

Infrastructure development : Mahindra group has amajor presence in the infrastructure that develops real estates and special economic zones. Mahindra lifespan developers ltd has been at the forefront of urban development in the county .

Mahindra sathyam:, Mahindra & Mahindra came to software field after buying Satyam company and it is named as Mahindra Satyam

Mahindra & Mahindra Group also have Mahindra Special Services which was established in 2001 as a separate division in Mahindra & Mahindra.

Mahindra & Mahindra also have Mahindra Defence Systems which oversees the requirement of India's Defence and Security forces.

4. INVESTMENTS: M&M invests and adopt many companies presently Mahindra &Mahindra group want to aquire Ssangyong and expand its business in international market. In the past Mahindra & Mahindra Group made many Joint Ventures and acquisitions and it has forayed into different

sectors of automobiles like light, medium and heavy commercial vehicles. It also ambitious to acquire two wheelers also.

Conclusion : A brief research on Mahindra & Mahindra's long term sustainability. The company maintain some strategic key points in the external environment for long term sustainability and success . Mahindra and Mahindra developed a culture to innovate new products for agriculture M&M is largest tractor manufacturing company in India. manufacturing is cheaper in India so that it makes exports to other counties. A new multi purpose tractor helps farmer a lot. First it enter market with jeep later sports utility vehicle, commercial vehicle etc. corporate social responsibility is their vision with the strategy power consumption is saved and awarded with the recycle of paper idea save 40% of trees, production of crops increased by 40% with advanced shaan vehicles and 26% of exports is also increased . profits is not their vision they helped 11. 3 crores rs to girls to study with the scholarship. On the 60th anniversary they decided 1% on profit after tax is goes to CSR. goals of M&M are 300u. s dealers and in India for every 1000 acers 19 tractors are required average of worlds at present there r only 10 tractors for 1000 acers they need to sell 19 tractors for 1000 acers M&M received many awards for their excellence and it is top most industry in India.