

Mahindra e20 case analysis essay sample



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Introduction:

Mahindra e20, previously called Reva NXR, it is an urban electric car hatchback, manufactured by Mahindra Reva Electric Vehicles. E20 is the successor of REVA G-Wiz successor and was developed by basing REVA's technology. E20 was launched in India in March 2013 at a price range of Rs 6.5 lakh to Rs 8.5 lakh depending on the cities. E20 came with lithium ion batteries, per charge of this battery it is expected mileage of 100km range with max speed of 80-104kmph. E20 is a 4 seated hatch back category, exterior design concept was initiated in collaboration with DC design and design of production exterior and interior styling was done by Reva R&D and styling team. Mahindra came with a motto as "Earth's Favorite Electric car company". Their Marketing tag line is -

SWOT Analysis:

Strengths

Regenerative Braking:

With the advanced Regenerative Braking System, energy gets back into the battery while you slow down or brake.

Colour Impregnated Body Panels:

The E20's special ABS body panel formulation is colour impregnated and not painted. This reduces the pollution associated with painting and paint shops.

REVIVE Technology:

The unique patented REVIVE® technology makes sure you keep going at all times. If you ever were to run low on charge, a simple call to our call center

or activating Revive® through your smartphone app or infotainment system will remotely activate a reserve charge that will let you continue on your way.

Remote Operation:

Our smartphone apps and SMS commands allow you to run a host of processed remotely, from switching on the air conditioner, running a diagnostics check, to lock/unlock your car. You can also receive SMS alerts if someone is trying to unlock the e2o without your knowledge Sun2Car:

The car is capable of using the futuristic ecosystem of ' Sun2Car' to derive energy from the sun to charge the vehicle.

Impressive Mileage and Speed:

With Lithium ion batteries and REVA technology, E20 is capable to going at max speeds of 80-104kmph and a mileage of 100kms.

Charging Spot:

Mahindra has already setup over 250 charging points in various cities, with 95 in Delhi and over 100 in Bangalore.

Weakness:

Compact

Similarly to its first model REVAi, E20 is also lacking leg room space, interior width, Comfort. Max 4 people can adjust in the E20, and with the addition of hatchback door, it might provide some more space for luggage. Lack of

Alternative fuel source:

E20 does not have regular alternative fuel systems as petrol or diesel but it has included solar panels and Revive technologies to compete with below competition. They can develop less polluting and more efficient car models.

HYBRID CARS

MODEL

COMPANY

Mahindra Scorpio Hybrid

Mahindra Motors

Toyota Prius Hybrid

Toyota Motors

Tata Nano Hybrid

Tata Motors

Honda Civic Hybrid

Honda Motors

Chevrolet Volt

Chevrolet

Reva

Reva Cars

Strength in Design and Safety:

Based on the strength of design an E20 doesn't have a strong exterior and front/rear are very close to the passengers seating area, If any damage happens the impact effect will be maximum on the passengers. Car doesn't have airbags support or ABS braking facility for avoiding major accidents.

Opportunities

More Interior Space:

Mahindra can release other models like sedan with big interior and leg space, and SUV class. The major problems Mahindra is facing in advancing the REVA technology might be battery capacity and efficiency, mileage and speed, with higher design and weight the mileage and speed will be reduced as it creates higher load on battery which in-turn affects the battery life.

Effective use of energy sources:

In E20 Mahindra included solar panels to store some energy from sun to use for running control systems and other digital devices in the automobile.

Mahindra can focus on air pollution removal mechanism which is right now in planning and design phase in some countries.

Commercial Use:

Mahindra can develop E20 and Reva technology to develop electric vehicles for commercial use as Tempos, Carriers, HVM etc... Major reasons of air pollution and high rates of fuel consumption are because of HVM's only.

Rural Marketing:

Mahindra can develop technology and vehicles that can be used in Agro business and Agriculture. By introducing electric tractors, harvesting machines, etc... and also by releasing a model of REVA that is compatible with rural environments and less price model. In rural areas there is very less scope of electric vehicles because of power supply issues, So Mahindra should release petrol/diesel models to capture rural markets with technology

as reduction in emission of air pollutants.

Threats

Automobile industry started research on alternative sources for petrol and diesel, as a result of these researches many companies came out with different variants of hybrid cars, which have multiple sources like petrol/diesel and electric or petrol/diesel and LPG. But as this is not solving the problem of air pollution due to usage of petrol and diesel, and also due to the rise of petrol/diesel prices, many companies are coming out with electric cars. Mahindra's E20 is having a huge competition from – Hyundai i10 Electric.

The new electric version of i10 is termed as zero-emission urban commuter consisting a 16kWh battery and a 49kWh electrical motor. The batteries incorporate Li-Poly batteries that are capable to produce max speed of 130kmph and mileage of 160km. General Motors – Chevrolet Electric Spark / Chevrolet E-Spark Toyota Prius.

Marketing Mix strategy of Mahindra E20:

Product:

Mahindra E20 is manufactured at Mahindra's Bangalore location. The Regenerative braking, Revive technology, Silent Revolution, Hill hold features are some best features E20 have. The specifications of E20 are as follows –

The product is also available in 6 color variations, Sunfire Yellow, Spanish Red, Oceanic White, Eco Green, Coral Blue and Arctic silver.

Price

Mahindra E20 is launched with a price tag between Rs 6.5 lakhs and Rs 8.5 lakhs depending on the city. Price of E20 at different cities is given below.

Mahindra First Choice Wheels (MFCW) is providing back end services for Xmart exchange program “ Exchange Your Old Vehicle Through XMART”. The company is expecting that Delhi will become its biggest market for E20 vehicles because Delhi offered a subsidy of 29% for purchase of electric cars. Due to the subsidy of 29% the price has been slashed to Rs 6.5 lakhs but in other cities like Mumbai, Bangalore, Pune, Hyderabad the price of E20 is around Rs 7.5 lakhs.

Market Share And Sales Analysis

Sales Quantity by companies: Passenger Cars & Vans:

The below analysis is the comparison of sales quantity between Hyundai, Mahindra, Ford, General Motors and Skoda. From the observations it is clear that Hyundai has high sales quantity than any other companies. Mahindra sales quantity is fluctuating and General Motors is constantly growing through the years from 2007-2011. In another observation from the bar diagram with comparison of Skoda, Mahindra Reva, General Motors, Ford and Mahindra. From this bar graph it can be stated that Mahindra Reva has no much sales quantity in comparison with any other companies and it is decreasing over the years. Market Share of Automobile companies with comparison of Mahindra Reva:

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From the above bar graph, it is observed that Hyundai has max market share than all other companies, Hyundai is having monopoly over these companies, in both market share and sales quantity Hyundai has upper hand and is dominating the entire market.

When Hyundai is removed from the observations, General Motors is gradually capturing the market, while Ford is losing its ground. Mahindra is also declining over the years while Mahindra Reva is struggling to capture any market share. Mahindra Reva was able to capture some attention in the market in the early years of its launch but gradually it lost its market and by 2010-11 its market share is almost nothing.

Conclusion:

Mahindra launched REVAi electric car with REVA technology developed by its R&D. As a successor for this Mahindra recently on March 2013 launched REVA NXR or E20 electric car. This new E20 created a hype in the market, with all new technological innovations included in this car, as REVIVE technology, ABS body panel, Hill Hold, no noise, no pollution etc... E20 is the car that is challenging many companies already with hybrid automobile products. E20 car design is nothing better than the old version of same REVAi car, E20 is a 4-seater hatchback, not so comfortable or leg space area as other sedans or hatchbacks. Observations of sales quantities and market shares of different companies during the period of 2006-2011 shows that Hyundai is playing monopoly in both the areas, while Mahindra Reva was struggling to capture any market share or sales quantity.

Soon Hyundai is going to release i10 Electric car into the market with better features and performance than Mahindra E20. So E20 will be facing a huge competition from Hyundai again, Mahindra has to pitch up into more marketing its product and has to increase service centers and recharge units all over India. As Mahindra has manufacturing unit in India only, consumers might have a different perspective regarding it as they will get better services and availability of parts will be easy and cheap. So, Mahindra has to use all its strengths to compete against Hyundai and increase its market share. As Mahindra has a stronghold in rural areas, it should find ways to push its products into rural markets. E20 can capture the market because of early launch and marketing, this product has both chances of starting a success trend in REVA category or it might completely dissolve the brand.

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