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1. Introduction



The car at first glance resembles a styling pastiche derived from Honda, Fiat, BMW and a few other manufacturers, can easily be forgiven. Once inside the car and with express orders to drive it, the styling puzzle tends to become a lot less significant. And the adage about imitation being the most sincere form of flattery springs to mind.

This section takes you through the marketing plan for Hyundai Pa. "Hyundai Pa will bridge the gap between Santro and Getz, giving customers more options within the Hyundai family". Hyundai Pa will be a hatchback aimed squarely at the new Zen Estilo from Maruti. Hyundai is also said to be working on a one-liter diesel engine for Pa, which may just prove to be a good strategy to take on Maruti with. It will be a true 'Value-for-money' product and will be available in varied colors suited to the Indian market.

The company's under-development compact car, code named project PA, will also be exclusively made and exported from India. Hyundai exports Santro and Accent models from India.

2. Situation Analysis

Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company, South Korea and is the second largest and the fastest growing car manufacturer in India. HMIL presently markets 20 variants of passenger cars in six segments. The Santro and Pa in the B segment, Getz Prime in the B+ segment, the Accent and Verna in the C segment, the Elantra in the D segment, the Sonata Embera in the E segment and the Tucson in the SUV segment.



Hyundai Motor India, continuing its tradition of being the fastest growing passenger car manufacturer, registered total sales of 299,513 vehicles in calendar year (CY) 2006, an increase of 18.5 % over CY 2005. In the domestic market it clocked a growth of 19.1 % a compared to 2005, with 186,174 units, while overseas sales grew by 17.4 %, with exports of 113,339 units.

HMIL's fully integrated state-of-the-art manufacturing plant near Chennai boasts some of the most advanced production, quality and testing capabilities in the country. In continuation of its investment in providing the Indian customer global technology, HMIL is setting up its second plant, which will produce an additional 300,000 units per annum, raising HMIL's total production capacity to 600,000 units per annum by end of 2007.

HMIL is investing to expand capacity in line with its positioning as HMC's global export hub for compact cars. Apart from expansion of production capacity, HMIL plans to expand its dealer network, which will be increased from 183 to 250 this year. And with the company's greater focus on the quality of its after-sales service, HMIL's service network will be expanded to around 1,000 in 2007.

The year 2006 has been a significant year for Hyundai Motor India. It achieved a significant milestone by rolling out the fastest 300,000th export car. Hyundai exports to over 65 countries globally; even as it plans to continue its thrust in existing export markets, it is gearing up to step up its foray into new markets. HMIL has also been awarded the benchmark ISO 14001 certification for its sustainable environment management practices.

2.1 Features of Hyundai Pa

Exterior			
	Clear Head/Rear Lamp ORVM Tinted Glass B/C Bumper Radiator Grille Side Reflectors Wheel Cover Waistline Molding Mud Guard – Front & Rear	Interior	Advanced Steering Wheel Molded roof lining Rear Parcel Tray Front & Rear Speaker Grill Room & Map Lamp Standard Floor Console Front & rear Door full size Arm Rest Luggage Compartment side tray
Seating			
	Antisubmarine front seats Seating capacity for 5 adults Rear Seat double folding 60:40 split in rear back rest Rear Seat Adjustable Head Rest Adjust for Front Seat – Inclination & Height	Instrument Panel	Electronic trip meter Low fuel warning Seat Belt Warning Door & Tailgate ajar warning Hand brake warning
Safety & Security			
	Air Bags Seat Belts Anti Braking system Child safety Lock Day Night inside rear view mirror Fog Lamps Collapsible Steering Collapsible Steering	Comfort & Convenience	A/C & Heater Power saving Blower speed Remote fuel lid opener Cigar lighter Antena

3. SWOT ANALYSIS

3.1 Strengths

The Quality Advantage

Hyundai owners experience fewer problems with their vehicles than any other car manufacturer in India (J.D. Power IQS Study). The Santro was chosen the best in the premium compact car segment and the Getz in the entry level mid - size car segment across several parameters. This study measures owner in terms of design, content, layout and performance of vehicles across several parameters.

A Buying Experience Like No Other

Hyundai has a sales network of 250 state-of-the-art showrooms across 189 cities, with a workforce of over 6000 trained sales personnel to guide our customers in finding the right car. Our high sales and customer care standards led us to achieve higher nameplate in the J.D. Power SSI Study.

Quality Service across 1036 Cities

In the J.D. Power CSI Study Hyundai scored the highest across all 7 parameters: least problems experienced with vehicle serviced, highest service quality, best in-service experience, best service delivery, best service advisor experience, most user-friendly service and best service initiation experience.

The 92% of Hyundai owners feel that work gets done right the first time during service. The J.D. Power CSI study also reveals that 97% of Hyundai owners would probably recommend the same make of vehicle, while 90% owners would probably repurchase the same make of vehicle.

3.2 Weaknesses

Commodity Price Risks

Hyundai commodity price risks to higher costs due to changes in prices of inputs such as steel, aluminum, plastics and rubber, which go into the production of automobiles.

In order to mitigate these risks, the company continues to attempt to enter into long term contracts based on its projections of prices. In a volatile commodity market, where your company gives top priority to ensuring smooth availability of inputs, long term contracts are helpful. They also help minimize the impact of growing input prices. Conversely, long term contracts dilute the benefits, if any of a decline in input prices.

Exchange Rate Risk

The company is exposed to the risks associated with fluctuations in foreign exchange rates mainly of import of components & raw materials and export of vehicles. The company has a well structured exchange risk management policy. The company manages the exchange risk by using appropriate hedge instruments depending on the prevailing market conditions and the view on the currency.

3.3 Opportunities

Leading Growth

As the market leader, company led the growth in the passenger car sector last year. Hyundai sales went up 30% to 4,72,000 units. This, as I said earlier, is the highest annual sale since company began operations 20 years ago. Hyundai also gained market share, mainly on account of its performance in the competitive A2 segment where it increased its share from 40.3% in 2005-06 to 47.7% in 2006-07. The record sales performance was reflected in the financials. Net Sales (excluding excise) grew by 31% to Rs 93,456 million. Operating Profit Margin increased from 0.8 % in 2005-06 to 4.7 % in 2006-07. Profit after Tax jumped 270% to Rs 5421 million.

3.4 Threats

Risk Factors

In the course of its business, Hyundai is exposed to a variety of market and other risks including the effects of demand dynamics, commodity prices, currency exchange rates, interest rates, as well as risk associated with financial issues, hazard events and specific assets risk. Whenever possible, we use the instrument of insurance to mitigate the risk.

Business Risks

The automotive industry is very capital intensive. Such investments require a certain scale of operation to generate viable returns. These scales depend on demand. Although 2005-06 was year of continued growth for the Indian economy, whether this growth momentum will continue has to be seen.

3.5 Threats from Competitors

Maruti Udyog Limited

For the fiscal year ended December 2006, Maruti generated revenues of \$193,517 million, an increase of 4.3% from the previous year. The company reported a net income of \$2,805 million for fiscal 2005, down 26.6% from the previous year.

Tata Motors Limited

In the 2006 fiscal year, Tata Motors generated revenues of \$3,542.2 million (INR154,935.2 million). The company made a net profit of \$185 million (INR8,103.4 million) in the 2006 fiscal year.

3.5 Product Offering and Technical Specification

Specification	Description	Hyundai Pa	Maruti Zen
Dimensions	Overall Length (mm)	3690	3535
	Overall width (mm)	1690	1495
	Overall Height (mm)	1590	1405
	Wheel Base (mm)	2380	2335
	Min. Turning radius(M)	5	4.9
	Fuel tank Capacity (Ltr)	45	35
Engine	No. of Cylinders	4	4
	No. of valves	12	16
	Valvetrain (type)	SOHC	SOHC
	Displacement (cc)	1341	993
	Max. Power (ps/rpm)	82.9/5500	60.79/6200
	Max. Torque (Kgm/rpm)	11.8/3200	8.0/4500
Suspension	Front Suspension	McPherson strut with coil spring	McPherson strut
	Rear Suspension	Gas filled Shock absorber, CTBA	3 link rigid axle, coil spring, Gas Shock absorber
	Rear Shock absorber	Gas Filled	Gas Based
Brakes	Front	Ventilated discs	Discs
	Rear	Drums	Drums
Tyre	Size	155/80 R13	145/80 R12

4. Marketing Strategy

4.1 Objectives

First year Objectives: We are aiming for 5% market share of the Indian market through unit sale volume of 100000.

Second year Objectives: We are aiming for 10% market share of the Indian market.

An important objective will be to establish a well-regarded brand name linked to a meaningful positioning. We will have to invest heavily in marketing to create a memorable and distinctive brand image projecting innovation, quality and value. We also must measure awareness and response so we can adjust our marketing efforts if necessary.

4.2 Target Markets

Hyundai Pa's marketing strategy is differentiated marketing. Our primary consumer target is middle to upper income professionals who need true value for their money and comfortable ride in city conditions. Our secondary consumer target is college students who need style and speed.

Our primary business target is mid sized to large sized corporates that want to help their managers and employees by providing them a car for ease of transport. Our secondary business target is entrepreneurs and small business owners who want to provide discounts to managers buying a new car.

Each of the four marketing strategies conveys Hyundai Pa's differentiation to the target marketing segments identified above.

4.3 Positioning

Using product differentiation we are positioning the Hyundai Pa as the most versatile, convenient, value added car model for above target market used. The marketing strategy will be focused on promoting the car as economic car for the next generation.

4.4 Strategies

Product

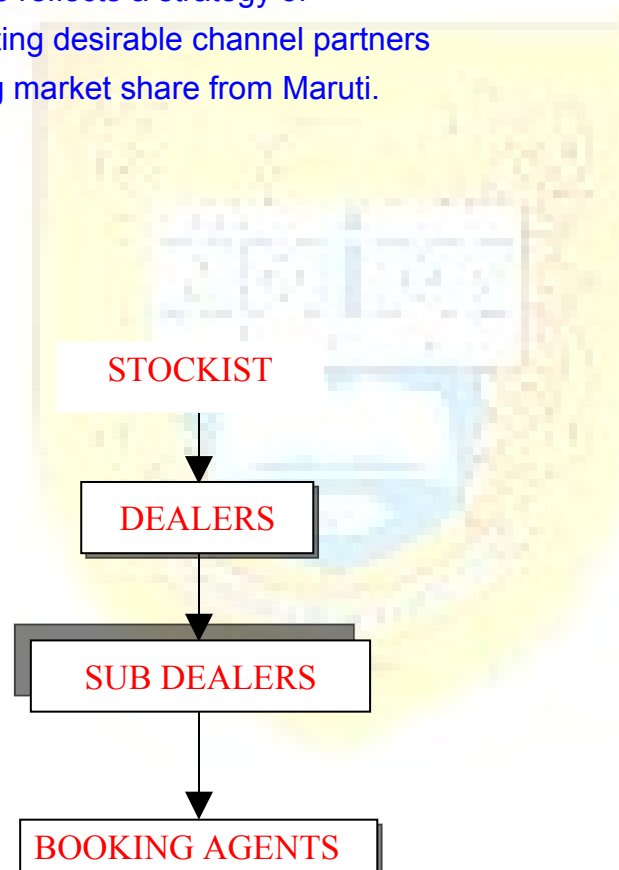
Hyundai pa is fully loaded and will be sold with 3 year warranty. We will also introduce a diesel/CNG/LPG version of Hyundai Pa in the near future. Also the high end model will have an option of GPS system.

Price

Hyundai Pa's base model will be introduced at ex-showroom price of 3 lakhs. This price reflects a strategy of

- 1) attracting desirable channel partners
- 2) Taking market share from Maruti.

Distribution

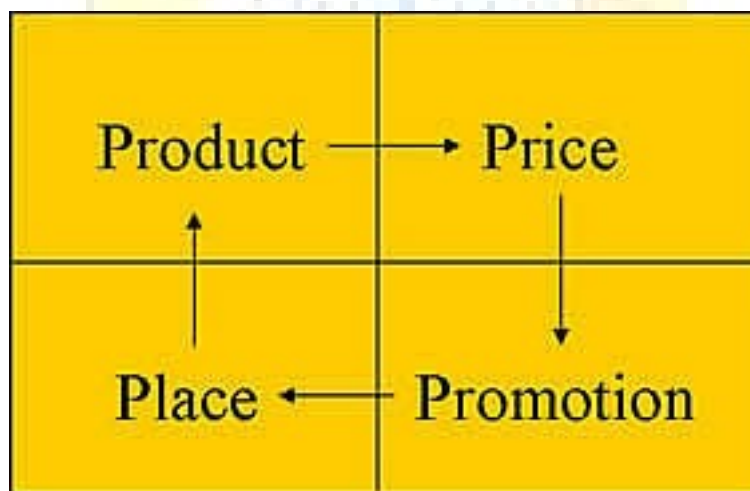


- The Stockist will represent 3 to 4 districts in a State.
- The Dealer will represent a district or main City.
- The Sub-Dealer shall represent a particular area or taluka.
- The booking agents will be individuals working on freelance basis.

Marketing Communications

By integrating all messages in all media we will reinforce the brand name & main points of product differentiation. Research about media consumption, pattern will help our advertising agency to choose appropriate media and timing to reach prospects before & during the product introduction. Thereafter, advertising will appear on a pulsing basis to maintain brand awareness and communicate various differentiation messages. The agency will also co-ordinate public relation efforts to build Hyundai brand & support the differentiation message. To attract market attention & encourage purchasing, we will offer a limited time, registration & insurance. To attract, retain & motivate channel partners for a push strategy, we will use trade sales promotions and personal selling to channel partner.

4.5 Marketing Mix



Product

Features:

The all-new “**Hyundai Pa**” is fully loaded with a range of exciting new features. It’s a perfect complement to your evolved tastes and lifestyle. And the best way to take your driving pleasure to a brand-new high. European Styling. Japanese Engineering. Dream-Like Handling.

The new Hyundai Pa is a generation different from Getz and Santro design. Styled with a clear sense of muscularity, its one-and-a-half box, aggressive form makes for a look of stability, a sense that it is packed with energy and ready to deliver a dynamic drive.

Its solid look is complemented by an equally rooted road presence and class-defining ride quality. New chassis systems allow for the front suspension lower arms, steering, and gearbox and rear engine mounting to be attached to a suspension frame. You get lower road noise and a greater feeling of stability as you sail over our roads with feather-touch ease.

Price

Hyundai is expected to take Maruti heads on with the pricing of their upcoming Hyundai Pa car. After launching cars for the masses since so many years, India's second largest automobile manufacturer is now targeting the premium segment with their latest model from the Hyundai's stable. The analysts predict the pricing of this premium hunchback to start from Rs. 3 lakh.

This price range would practically rip apart Maruti's offering in Zen Estilo, which is priced at a higher tag of Rs. 3.5 lakh. Both the companies are known for their value based offerings and Hyundai with their extensive service network and brand reputation for making reliable cars should get the customer's nod over their competition.

The official pricing however is still not out. However, the company is said to be studying the prospects of launching the base model at the 3 - lakh price tag.

if they indeed do take the chance of pricing Hyundai at a considerable lower price than Zen Estilo , they would quite likely force the competition to rethink their strategy.

Promotion

Road Shows

The company plans to stage road shows, to display vehicles in the pavilions during various college festivals and exhibition. This car will appeal to youngsters more.

Television advertisements

Advertisements to promote and market our product will be shown on leading television channels. Major music and sports channels will promote and they will reach out to the youth will be promoted through Star, Zee, Sony and Doordarshan etc as it has more viewers.

Radio

Radio is the medium with the widest coverage. Studies have recently shown high levels of exposure to radio broadcasting both within urban and rural areas, whether or not listeners actually own a set. Many people listen to other people's radios or hear them in public places. So radio announcements will be made and advertisements will be announced on the radio about the product features and price, qualities, etc.

Print Ads

Daily advertisements in leading newspapers and magazines will be used to promote the product. Leaflets at the initial stage will be distributed at railway stations, malls, college areas and various other locations.

Workshops and Seminars

Workshops and seminars will be held in colleges and big corporate to make people aware about the companies past performance and product features, its affordability and usage, vast distribution network. Road shows will be conducted where free trials of the car would be given.

Banners, neon signs

Hoardings, banners, neon signs will be displayed at clubs, discs, outside theatres and shops to promote our brand car.

Booklets and pamphlets

Booklets will be kept at car showrooms, retail battery outlets, etc for the customer to read. These booklets will provide information about our company; the products offered which suits the customers need accordingly.

Place

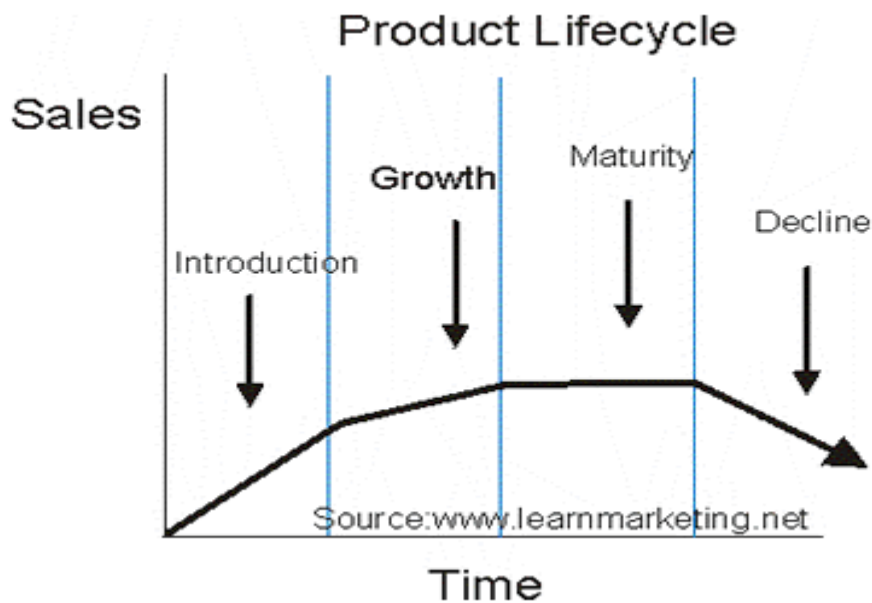


Dealer Name	Address	City	Std	Phone	Fax
Ashok Auto	Ashok Auto 10, Silk Mill Compound Lower Parel Pin:400013	Mumbai	022	56661555	56661444
Auto Care Centre	Auto Care Centre C/O Hindustan Petroleum Corp. Ltd, C- 33, G.N.Block Bandra Kurla Complex, Bandra(E) Pin:400051	Mumbai	022	26508517	26508517
Bharat Auto Associates	Bharat Auto Associates 80, Dr. Annie Besant Road Worli Pin:400018	Mumbai	022	24939578/ 2025	24932025
Ekobe Auto Consultant	Ekbote Auto Consultant St.Josephs Ind, Estate Training instt. Premier Auto Road Pin:400070	Mumbai	022	25038789/ 6314	
Excel Service Station	Excel Service Station V.M.Road, Juhu Vile Parle Scheme Vile Parle (W) Pin:400056	Mumbai	022	26124643	26124332
Jaya Auto	Jaya Auto Opp. Race Course Gate No.4 Dr. Emoses Road, Mahalaxmi Pin:400034	Mumbai	022	24948317/ 24925849/24946053	24946053
Kent Cars	Kent Cars STUDIO MEHRA COMPOUND SAKINAKA KURLA ROAD Pin:400072	Mumbai	022	28561188/99/28563537	28527582
KUNAL MOTORS	KUNAL MOTORS 114, Dadilane IRLA Vile Parle Pin:400056	Mumbai	22	56959949	26704702
Mark Motors Pvt Ltd	Mark Motors Pvt Ltd Jeevan Jyoti P.M.Nehru	Mumbai	022	28742438	28742450

5. PRODUCT LIFE CYCLE

5.1 Introduction

As a new product much time will be spent by the organization to create awareness of its presence amongst its target market. Profits are negative or low because of this reason.



5.2 Growth

If consumer clearly feels that this product will benefit them in some ways and they accept it, the organization will see a period of rapid sales growth.

Hyundai stands on Growth Stage. As the sales of Maruti Zen Estilo is high as compare to Hyundai Getz then the consumer will buy **Hyundai Pa** by providing them with great benefits in future and they will accept it.

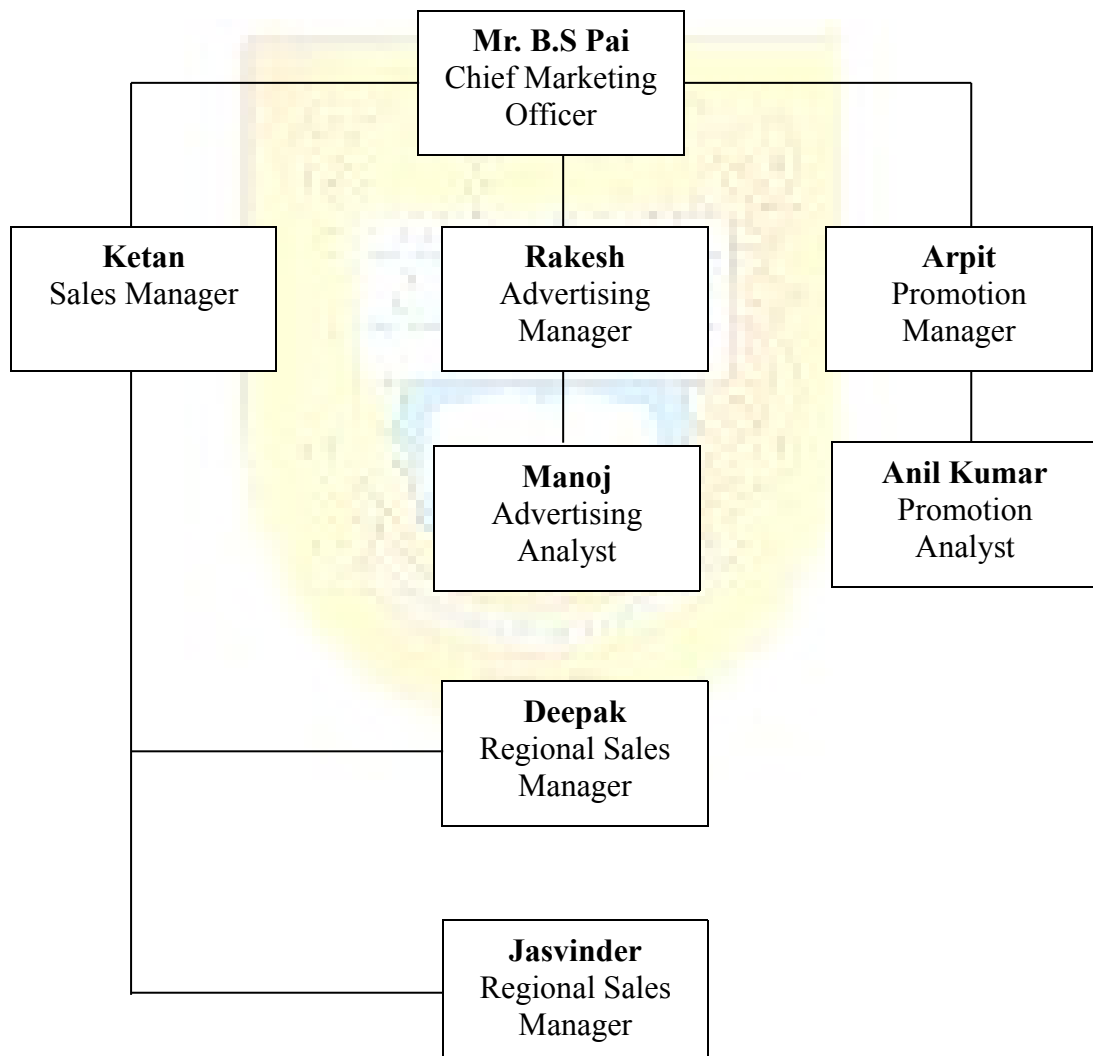
5.3 Maturity

Rapid sales growth cannot last forever. Sales slow down as the product sales reach peak as it has been accepted by most buyers.

5.4 Decline

Sales and profits start to decline, the organisation may try to change their pricing strategy to stimulate growth, and however the product will either have to be re-modified, or replaced within the market.

5.5 Organizational Structure



6. CONCLUSION

Automobiles have become an indispensable part of our lives, an extension of the human body that provides us faster, cheaper and more convenient mobility every passing day. Behind this betterment go the efforts of those in the industry, in the form of improvement through technological research. What actually lie behind this betterment of the automobiles are the opinions, requirements, likes and dislikes of those who use these vehicles.

These wheeled machines affect our lives in ways more than one. Numerous surveys and research are conducted throughout the world every now and then to reveal one or the other aspect of automobiles, be it about the pollution caused due to vehicle population in cities, or rising motor accidents and causes, vehicular technology, alternative medicine and so on.