Advent of Hyundai in India
Hyundai motor company is one of the leading manufacturers of world class automobiles. It was founded as Hyundai Engineering and Construction Company in 1947 by Chung Ju-Yung. Later it was renamed as Hyundai Motor Company in 1967. As per company sources, currently it is the fourth largest vehicle manufacturer in the world. It is operating in 193 countries along with 6000 dealers. Hyundai has at presented 10 brands, out of which santro has gained more popularity among small car segment.

Global Operation
This Korean major has global operation in many countries with more than 78,000 people worldwide. In 2001, Hyundai sold a 9% stake to Daimler Chrysler to strengthen its global market position and to boost sales abroad. Hyundai had an investment of $250 million in China in 2003 in conjunction with Beijing Automotive to produce 100,000 units per year. Also it has three plants in Korea in Ulsan, Asan and Jeonju with a combined capacity of about 1.86 million units a year. Hyundai Motor has overseas plants in the U.S., India, China, Turkey, the Czech Republic and Russia and Brazil. Today Hyundai Motor has a combined global production capacity of about 3.91 million units a year. The company adopts the strategy of thinking global and acting local. So at the local level the company has taken initiative like product development, design, sales, marketing, and consumer services to satisfy local customers.
Table-1: Global Plants Sales Year wise (Unit: thousand)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>1,820</td>
<td>1,911</td>
<td>1,885</td>
</tr>
<tr>
<td>Overseas</td>
<td>2,912</td>
<td>2,499</td>
<td>2,175</td>
</tr>
<tr>
<td>Total</td>
<td>4,732</td>
<td>4,410</td>
<td>4,059</td>
</tr>
</tbody>
</table>

Source: www.hyundai.com, Accessed on 28 February 2015

**Branding Strategy**
Today it has its wing in manufacturing dozens of models of cars, vans, and minivans. In 1990, Hyundai introduced its own engine design, the Alpha. Two years later, it introduced its second-generation engine, the Beta. In addition to this, Pony, Excel, Scoupe, Sonata, and Accent etc were few of the models which were introduced in the market and grew popularity among the customers. 
Hyundai focuses on customer service and building a strong brand image. It is possible because of its well defined target market and product positioning. Middle to upper income professional realized a differentiation with respect to other brands in the market. To tap rural India, Company introduced innovative marketing initiatives.

Table-2: Popular Brands of Hyundai in International Market

**CARS**
- Centennial/Equus
- Genesis
- Azera
- Sonata
- I series: 10,20,30,40
- Veloster
- Accent
- HB20
- Xcent
- Eon
- Verna

**COMMERCIAL**
- H-1
- H-100
- Truck
- Bus
- Special Vehicle

**SUV**
- New Santa Fe
- Grand Santa FE
- Santa Fe
- Tucson/iX35

Source: www.hyundai.com, accessed on 23 Feb 2015
Indian Operation
The Indian operation is popularly known as Hyundai Motor India Limited (HMIL), a wholly-owned subsidiary of Hyundai Motor, South Korea. It is the second largest carmaker in India. It has 397 dealers along with 1045 service points in India. Hyundai set up its manufacturing plant at Sriperumbudur, Chennai in May 26, 1996. In February 2008, it established its second plant in the state of Tamilnadu, very close to the previous plant. Both the flagship brand such as the i20 and the i10 are produced from the new plant.

Hyundai is a front runner in research and development. To foster the growth, the R&D centre was established in Hyderabad. It was set up with an investment of 184 crore rupees. This centre is taking care of the changing customer needs with new design and stylish products. The R&D Centre facilitates the development of small cars in global scenario. Also the back end operation like Computer aided engineering(CAE) and Computer aided design (CAD) is strengthened. Hyundai Motor Company’s other overseas R&D centres are located in the United States, Germany, Japan & Korea.

Indian Car market was dominated by two majors such as Ambassador from Hindustan Motor, Kolkata and Fiat, Padmini till 1980. The emergence of Maruti in the same year had fuelled the total car market. Maruti Suzuki is a joint venture between Maruti and Suzuki of Japan. In India, Maruti is popular among the consumer among the small car segment. The following table shows in detail the market share of Indian players.

Table-3: Marker share of Top 5 car manufacturer in India

<table>
<thead>
<tr>
<th>Rank</th>
<th>Manufacturer</th>
<th>Market share (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maruti Suzuki India Ltd</td>
<td>44.77</td>
</tr>
<tr>
<td>2</td>
<td>Hyundai</td>
<td>17.53</td>
</tr>
<tr>
<td>3</td>
<td>Mahindra &amp; Mahindra</td>
<td>8.48</td>
</tr>
<tr>
<td>4</td>
<td>Honda Car India</td>
<td>6.11</td>
</tr>
<tr>
<td>5</td>
<td>Toyota</td>
<td>5.79</td>
</tr>
</tbody>
</table>


Santro- The sunshine Car
Santro is the renowned brand of Hyundai motor. It was launched on 23 September 1998 and was a runaway success. Initially the company was planning to enter into Indian Market in the ‘C’ segment. After extensive market research, company has changed its strategy and entered into small car B-segment which was much tougher than other segments.
It was a critical time for the company when Santro was launched in India. The company was struggling in their own country South Korea due to deep economic crisis. Also it was not successful in launching in Canada and could not get desired market share. In India, financing was a major challenge. At the time of launching, banks and other financial institutions were reluctant to provide loans to this brand and company. BVR Subbu, a key personnel in establishing this brand in India said “Hyundai got the loan higher than the market rate.” It was difficult situation to convince the Public sector banks like State Bank of India to give loans. The chief of private major ICICI Bank, Mr. K.V. Kamath visited the company manufacturing unit before the period of loan sanction.

The company had adopted strong branding strategy. It had taken Shah Rukh Khan, renowned bollywood actor as a brand ambassador in the year 2000. This relationship boosted the sales of this brand for many years. It has launched a campaign “Ghar Ghar Ki Pehchaan” to increase sales in rural market. In sales promotion, the company was offering fuel vouchers with every purchase of Santro.

It has sold more than 1.36 million units in India since it’s inception. Not only in India, the company has also exported 5, 35,000 units to different countries such as South Korea, Europe and US from Indian Operation. Santro was the first car from India which was exported to foreign countries. As revealed from Economic Times, presently this popular brand is selling an average of 2900 units in a month. In the month of October 2014, the company had reported an increase in 6 % sales as compared to the previous year. People from the company also became ardent supporters of this product. The following table clarifies the sales position in the month of October 2014.

**Table: 3 Hyundai motor India Sales (October 2014)**

<table>
<thead>
<tr>
<th></th>
<th>October 2013</th>
<th>October 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>36,002</td>
<td>38,010</td>
<td>5.6</td>
</tr>
<tr>
<td>Exports</td>
<td>14,210</td>
<td>18,000</td>
<td>26.7</td>
</tr>
<tr>
<td>Cumulative</td>
<td>50,212</td>
<td>56,010</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Source: [www.hyundai.com](http://www.hyundai.com), accessed on 10 Nov 2014

This brand Santro had a high demand in Market and within seven months, it had gained the desired market share and profits. The company had made a continuous supply chain. In order to ensure uninterrupted supply, it has tied off with one supplier for one part. This is very unique and in this process, the supplier had a strong commitment towards delivery. It is on the other hand is closely associated with their performance and compensation. To
meet the present age competition, all dealers of Hyundai was equipped with quality paint shop.

The final batch of Santro will roll out from the plant in the last week of November. This first generation car will not be found in market. The major competitors such as Maruti 800 and Zen have already stopped production. Indian Car market is more volatile and market driven. The newly launched vehicles are getting more weightage due to income rise and affect of globalisation. Marketers believe that the product life cycle of the Indian vehicles are more than expected. Many brands have withdrawn from the market while few of them are still in the eye of customers.

It was revealed from the company sources that the Company believed that the model had already reached the end of its life cycle, and therefore the company wanted to give more emphasis on the production of its newer models.

**The Key factors leading to success are**

1. Growth in Volume
2. Value growth
3. Cost reduction
4. Importance to Eco friendly Green Cars

**CONCLUDING REMARKS**

The success of Santro in the Indian Market is a lesson for marketers. This brand was positioned in the minds of the consumer by first understanding their expectations. Severe competition has not stopped it from becoming a cash cow for the company. However, the management suddenly discontinued the production realizing that the brand has come to the end of its life cycle. Do you feel that company is taking a right decision for Santro? Do you feel, Indian consumers are seeking more brand variety? Are they brand conscious or value conscious? Probably it is the future market and need of the consumer.

**REFERENCE**

- www.hyundai.com
- [www.cardekho.com](http://www.cardekho.com)