

11/28/2010

IOBM

## CHEVROLET JOY: FAILURE IN KARACHI

### MARKETING MANAGEMENT

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## **ACKNOWLEDGEMENT**

We are grateful to our teacher Madam Shahnaz Meghani for teaching us curriculum of Marketing Management. Her versatile knowledge in marketing field and unique teaching style has developed our knowledge and cleared many marketing concepts.

We are all the most grateful to her for assigning this project, which has further helped us in evaluating many interrelated dimensions of marketing & it's professionally implementation on any product/services.

Finally we bestow our thanks to all who has directly or indirectly supported us with their assistance and guidance to compose this report and accomplish broader vision to visualize things in marketing concepts.

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## CASE STUDY OF CHEVROLET JOY

Chevrolet Joy (GM Motors) has not met the expectations yet and it got failed in making high sales and maintaining enough market shares in Pakistani market to sustain especially in Karachi the Car could not captivate the consumers' minds and hence failed to make the expected sales due to their lack of promotion and poor marketing management.

In Pakistan, Chevrolet (GM Motors) introduced its cars in collaboration with a local automobile manufacturer called Nexus Automotive. The current lineup available from Chevrolet Pakistan includes Chevrolet Optra, Chevrolet Spark, Chevrolet Joy, Chevrolet Aveo, and Chevrolet Colorado. The company plans to add Chevrolet Captiva, Chevrolet Epica and Chevrolet Cruze to its lineup in the future.

In 2004 Chevrolet introduced a new car with the name Chevrolet exclusive in Pakistan. It was a 800CC petrol car. But it costs high to the company because it was imported from Korea and the dollar prices were increasing so they changed the shape and introduced the car locally with a new name i.e. Chevrolet joy in 2005.

Chevrolet is a brand of vehicle produced by General Motors Company (GM). It was founded by Louis Chevrolet. Chevrolet was acquired by General Motors in 1917. The Chevrolet Company has produced many new models over the years. They have become a leader in the industry under General Motors. With newer models of sports cars, full size pickup trucks, sedans, and coupes the company has grown with immense popularity. The company proved the need of American manufacturers to diversify their products. They improved using new styles such as disc brakes, headlamps, engine size, faster, as well as more reliable cars. Some of their greatest accomplishments were the Camaro, Corvette, the luxurious Caprice, Chevelle, and the Impala. Chevrolet has always been a competitor; they produce in order to satisfy the needs of the consumer by offering great automobiles at low prices.

Chevrolet Joy is a lady driven car which have lots of colors like blue, red, silver metallic, shimmering green, black and white. The main positioning of Chevrolet Joy is security and safety having central locking system. It was 1000cc car with CNG and Petrol. In Chevrolet Joy, there is power window, power mirror (for the front two seats) and full beam bars at the back door (required for the safety). The price was lower than the competitors i.e. Alto and Cuore. Chevrolet was launched at a price of Rs. 540,000 in Pakistan. But still the sales were lower than the expectations so the company decided to install Multi port fuel injection system in the carbtorator which leads to less consumption of fuel. This increased the price of car by Rs.25000. still the sale improved by only 10%. The company received complaints about the jerks in car; they researched and find out that the jerks are due to CNG and MPI. Mechanics informed that the CNG kit is local which was creating problem then the company imported another kit from Japan called which costs approximately Rs. 100000 to the company. Thus the price was also increased and reached to Rs. 620000. On the other hand the competitors pricing was also increasing not because of any value addition but due to the increase in the dollar prices.

Chevrolet City Motors was the first dealer to import this car from Korea. According to the Chevrolet City Motors, the sales of Chevrolet Joy were not up to the expectations. According to them, the promotions were not good and the people of marketing were also not creative enough and the company was not giving the incentives to the dealers. After a long period of time, they did promotions like in Park Towers, Expo Center but it was failed. They also launched another outlet in PC but it failed due to parking problem. The results of all these efforts lead to increase in sales but for three months only.

According to the dealer, the after sale services of the company were not up to the requirement. Chevrolet Joy does not also have the resale value. Leasing facility was very high as compared to competitors, Chevrolet Joy was giving at 30% and Mehran and Cuore were giving at 10%.

Due to high cost of promotions and advertisement and research leads to low profits. Nexus imports the car from Korea as the main dealer of Chevrolet joy. In Karachi city motors sell it and was the only showroom offering after sales service. The sales were low only in Karachi while in the other cities of Pakistan the sales were meeting the expectations.

There are 4 outlets of Chevrolet Joy in Karachi catering to all Sindh, 3 in Rawalpindi, 2 in Lahore and 1 in Peshawar so Nexus was focusing more on the other cities.

We can assume that in Boston Consultant Group (BCG MATRIX), Chevrolet Joy will come in Question Mark (?). Now there is only one dealer who is importing these cars known as “Nexus”. Chevrolet City Motors have now stopped importing these cars due to low sales. Our research shows that the slaes persons at the outlet were inexperienced , no proper marketing is done in Karachi, If GM focus on distribution then this car has the potential to outclass Cuore this after 2006.

#### **ISSUES & PROBLEMS FACED BY CHEVROLET JOY:**

- Sales were not up to expectations
- Lack of employees
- Not good marketing department
- No resale value of the product
- Leasing facilities were very high
- No incentives to the dealers.
- Employees of the company were on the contract.

### CONSUMER PSYCHE IN PAKISTAN ABOUT SMALL CARS

Consumers of small cars in Pakistan are those who belong to middle class (middle and upper middle) and a small proportion of upper class (especially lower upper). Because the upper class does not go for the small and compact cars rather they prefer big and sophisticated cars. Consumers look for the several important features in their cars but main indicators which are paid much attention are:

- Locally assembled or Japan assembled car
- Performance (road grip)
- Price (value for money)
- Fuel consumption (in petrol and CNG both)
- Resale value
- Availability of spare parts
- Interior and exterior design
- Safety and comfort
- After sales service

These are the factors on which consumer concentrates while he/she makes the decision about purchasing a car. One more important point is that in Pakistan, women in middle class do not constitute a large market share of middle class market because they do not use to drive much due to their life style and psyche of saving. And they are also not much liberal in deciding which car should be purchased so normally they are dependent on the males of their houses for this decision. Women who drives cars are usually belong to the upper class and they prefer big cars on small cars because they are not much worried about the economical car.

### HISTORY OF GENERAL MOTORS

General motors also known as GM, is the world's second largest car manufacturer based on annual sales. Founded in 1908, in [Flint, Michigan](#), GM employs approximately 266,000 people around the world. The General Motors [Corporation](#) is the second-largest automaker in the world, just after Toyota. It was founded in 1908 by William C. Durant, in Flint, Michigan, and has consistently been an innovator in automotive technology. General Motors employs more than 250,000 people around the world, with [total assets](#) of around \$149 billion US Dollars (USD).

Many of the motor companies were in terrible straits during the difficult years of the early 1900's. The stock market panic in 1907 put a lot of small companies into financial distress. Many

of these companies were running on credit from various bankers. This was a golden opportunity for Durant, who proceeded to buy smaller car builders, and companies that built car parts as well as car accessories.

William C. Durant was one of the early pioneers of automobiles. He was the son of the Michigan governor, Henry H. Crapo, and by the 1890s had a successful horse-drawn [carriage](#) business in Flint. In 1904 he was approached to become General [Manager](#) of Buick, a position he jumped into wholeheartedly. He spun his success as manager of Buick to create a holding company in 1908, which he dubbed the General Motors Company. This company then bought Oldsmobile, Cartercar, Ewing, Elmore, Cadillac, and the company that would eventually be Pontiac.

Through the 1920s, the General Motors Company expanded into a global market, and built itself as a company that provided power, prestige, and options. Unlike the Ford company, which focused on lower costs and lower prices, General Motors targeted consumers who had money to spend on products with more features. In the late 1920s and 1930s, General Motors helped create the [Greyhound](#) bus lines, largely replacing the existing rail system, and bought out streetcar companies to replace them with in-city buses. They replaced intercity train transport with buses, and established subsidiary companies to buy out [streetcar](#) companies and replace the rail-based services as well with buses. GM formed [United Cities Motor Transit](#) in 1932.

In 1930, GM also began its foray into aircraft design and manufacturing by buying Fokker Aircraft Corp of America (U.S. subsidiary of [Fokker](#)) and [Berliner-Joyce Aircraft](#), merging them into General Aviation Manufacturing Corporation. Through a stock exchange GM took controlling interest in [North American Aviation](#) and merged it with its General Aviation division in 1933, but retaining the name North American Aviation. In 1948, GM divested NAA as a public company, never to have a major interest in the aircraft manufacturing industry again.

After the war, General Motors continued to grow enormously, becoming quickly the largest corporation in the United States. This period of unabashed prosperity, during which the President of General Motors, Charles Erwin Wilson, was named Secretary of Defense under [Eisenhower](#), would last until the end of the 1950s. Through the 1960s, 1970s, and 1980s, General Motors had a difficult period, where many of its products came under attack for poor workmanship, most notably the Chevrolet Corvair, about which Ralph Nader wrote his pivotal book, *Unsafe at Any Speed*. The 1980s and 1990s were a period of continued [hardship](#) for General Motors, which was plagued by competition from Japanese companies. In the late-1990s it finally seemed on the way to recovery, with stock increasing and sales stabilizing. This all changed after 11 September, 2001, when the company again started faltering. For the next few years General Motors survived hardship after hardship, until the recession in 2008, at which point they seemed on the edge of [bankruptcy](#), and were ultimately bailed out by the Federal government, leaving their future uncertain.

## **CHEVROLET IN PAKISTAN**

### **Introduction**



Chevrolet enjoys a long and distinguished history in Pakistan which pre-dates partition. The first Chevrolets came to British India in the early 1920s, and were sought after by nawabs, maharajas, and the social elite as part of their automobile collections. Chevrolet established an office in pre-partition India in 1928. An office was set up in Bombay with an assembly plant constructed in Sewree. General Motors (GM), Chevrolet's parent company, was the first automobile company to open an assembly plant in India.

Production started in 1928 with the National Series AB Touring. The AB series came with Chevrolet's well proven and reliable 171 cubic inches, 24.7hp four-cylinder engine. It featured Chevrolet's first four-wheel mechanical brakes and wooden wheels. In the first year of production, 13,903 GM cars and trucks were built at Sewree, including products from other GM brands.

In [Pakistan](#), Chevrolet introduced its cars in collaboration with a local automobile manufacturer called [Nexus Automotive](#). The current lineup available from Chevrolet Pakistan includes [Chevrolet Optra](#), [Chevrolet Spark](#), [Chevrolet Joy](#), [Chevrolet Aveo](#), and [Chevrolet Colorado](#).

### **CHEVROLET JOY**



The Chevrolet Joy is a [city car](#) produced by the South Korean automaker [GM Daewoo](#), marketed worldwide since 1998. It is available solely as a five-door hatchback with two engine configurations. The Joy was originally designed by [Italdesign Giugiaro](#), and has received two [facelifts](#). Various generations of the car have been sold under both Daewoo and various GM brands, and have been manufactured and marketed under license agreements by local automakers in several countries.

### **NEXUS AUTOMOTIVE (FIRST IMPORTER) IN PAKISTAN:-**

Nexus Automotive (Pvt) Ltd is the exclusive importer and progressive manufacturer of [General Motors](#) products in [Pakistan](#). The company was founded by M.A. Razaq, an expatriate Pakistani who retired as Corporate Vice President of General Motors Corporation, 1999. Balubaid Establishment of Saudi Arabia, a diversified group involved in automotive, real estate, and other



industrial businesses, is an investor in the assembly business of Nexus Automotive. Currently, the company is private, with ownership distributed between Pakistani and Saudi families. Nexus uses idle capacity at the Ghandhara Nissan Limited plant at Port Qasim to assemble vehicles, under a [contract assembly](#) agreement. Nexus is currently the only independent, non-GM entity in Asia which assembles General Motors products under GM quality standards. According to Nexus, the company maintains the highest quality standards for assembled vehicle quality in Pakistan.

Chevrolet Joy was introduced in Pakistan in the year 2003, initially by the name of Chevrolet Exclusive.

In the year 2005, Nexus Automotive started manufacturing it under the name Chevrolet Joy, and continued manufacturing it till the year 2009. However, now it has been replaced by the newer M200 series and is currently being sold as Chevrolet Spark.

### **Chevrolet Joy – A Complete Family Car:-**



Chevrolet Joy is supposed to be a complete family car within your budget. A complete family car means that it is liked and wanted by every member of the family and fulfils the wants of all. It includes MP3 and a CD player which attracts teenagers mostly, it is safe, and so the women are happy and satisfied with safety of their family. Comfortable seats and good speed is what a driver always needs, and this car is spacious as well. Hence, it has all the features of a car appropriate for a family.

### **MARKETING STRATEGY:**

### **TARGET MARKET:-**

It is known as Lady driven car and it was targeted to middle class.

### **POSITIONING:-**

The main position of this car in the minds of consumers was “Security & Safety”.

### **Safety Level:-**

According to the makers, Chevrolet joy is one of the safest cars in Pakistan, which includes front and rear seat belts. It has been designed to meet the European safety standards with 38% of its body made from high strength steel, and a defense mechanism with side impact beams that gives protection in case of an accident. The car comes with front and rear wipers that provide more visibility during rough weathers.

Chevrolet Joy is designed to be the safest car around and comes with 3 seat belts in the rear and reinforced ‘A’ pillar as an additional safety precaution, and all this is factory fitted. The steering column is collapsible, which collapses when there is an extreme impact in case of any accident. This helps you to remain safe from fatal injuries.

### **Comfortability:-**

This complete family car comes with a variety of features. With emerging technology a cell phone is a must and it gets really difficult when it rings in your pocket or purse while you are driving, so your Joy takes care of it by providing a cell phone holder. Also, for more convenience, a cup holder, a rear parcel shelf, and spacious glove compartment, comfortable seats that adjust to the contours of your body, and adjustable head rest are provided. It also gives quite a lot front and rear leg room.

The makers of this car try their very best to make your journeys as stress free and comfortable as possible. The bucket seats that adjust to the contours of your body, fits you like a second skin and you can enjoy



journey without having a back ache. The adjustable head rest and lots of front and rear leg room also contributes to the comfort.

### **Ultimate Design:-**



Chevrolet Joy's design is very unique and beautiful as it was designed by a renowned Italian design house. The car design is sleek and aerodynamic giving you a smooth drive and reduces the air friction and noise. It comes with a 1000cc SOHC, 4 cylinder, and 8-valve engine with Multi-Port Injection (MPI), which makes fuel consumption very efficient. It has the highest speed in its league of 152km/h which is possible due to the maximum torque of 88 N-m at 4200 rpm and maximum output of 63.2 Hp at 5400 rpm.

### **Benefits:-**

Overall Chevrolet Joy is really a small car but gives you the benefits of a comfortable car with lots of features such as power windows, remote controlled MP3 and CD player, power steering, power outside mirrors, more interior space, and auto headlights central locking system. Its standard version does not contain factory fitted CNG. It is also environment friendly due to its heavy duty radiator. Hence, it is a complete car which doesn't even dent your pocket.



## **MARKETING MIX**

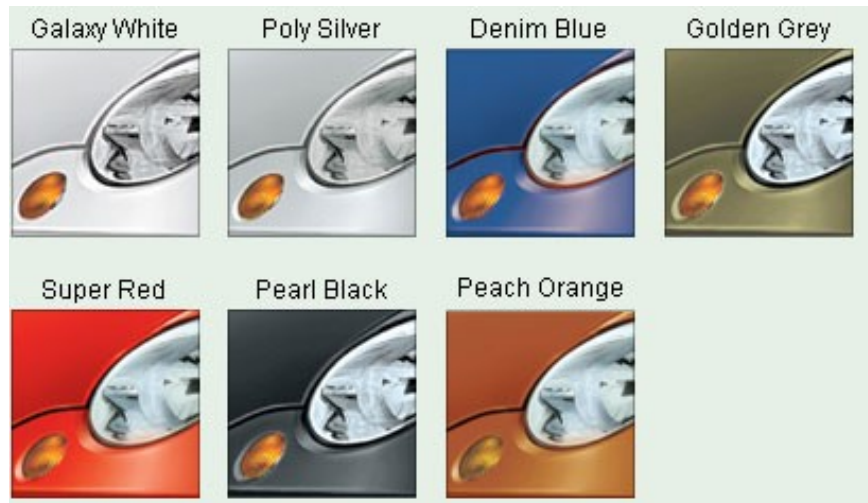
### **PRODUCT:-**

Chevrolet Joy (General Motors-GM)

- Thousand CC with CNG
- Several Colours
- Security System
- MPI (Muti Port Fuel Injection)
- Power windows and power steering
- Full beam bar.

Detailed specifications are as follows:

**Colors Available in Pakistan:**



## Specifications

DIMENSIONS		
Exterior L x W x H (mm)	3495 x 1495 x 1485	
Interior L x W x H (mm)	1723 x 1263 x 1211	
Leg Room (Front/Rear) (mm)	1022 / 895	
Head Room (Front/Rear) (mm)	995 / 962	
Wheelbase (mm)	2340	
Tread (Front/Rear) (mm)	1315 / 1280	
Min. Turning Radius (M)	4.6	
Ground Clearance (mm)	160	
Gross Weight (Kg)	1230	
Fuel Tank Capacity (Liter)	35	

ENGINE		
Type	SOHC, 4 Cylinder, 8 Valve	
Fuel Injection	Multi-Port Injection (MPi)	
Piston Displacement (cc)	995	
Bore x Stroke (mm)	68.5 x 67.5	
Compression Ratio	9.3 : 1	

Max. Output (Hp / rpm)	63.2 / 5400	<input type="checkbox"/>
Max. Torque (N-m / rpm)	88 / 4200	<input type="checkbox"/>
Max. Speed (Km / h)	152	<input type="checkbox"/>
Radiator	Heavy Duty	<input type="checkbox"/>

TRANSMISSION & SUSPENSION		
Transmission Type	5 Speed Manual	<input type="checkbox"/>
Suspension (Front)	MacPherson Sturt with stabilizer bar (Heavy)	<input type="checkbox"/>
Suspension (Rear)	Isolating Trailing Link with hydraulic damper & coil spring (Heavy)	<input type="checkbox"/>
BRAKE SYSTEM		
Front	Solid Disc	<input type="checkbox"/>
Rear	Self Adjusting Drum	<input type="checkbox"/>
WHEEL & TIRE		
Wheel	Steel Wheel	<input type="checkbox"/>
Wheel Cover	Full Wheel	<input type="checkbox"/>
Tire Size	155 / 70 R13	<input type="checkbox"/>

SAFETY		
Seat Belts - 3P ELR (Front/Rear) + I Lap Belt (Rear Seat)	S	<input type="checkbox"/>
Seat Belt Warning Lamp	S	<input type="checkbox"/>
All Doors Ajar Warning Lamp	S	<input type="checkbox"/>
Crumple Zones - Front & Rear	S	<input type="checkbox"/>
Side Door Impact Beams - Front & Rear	S	<input type="checkbox"/>
Collapsible Steering Column	S	<input type="checkbox"/>
Reinforced A - Pillar	S	<input type="checkbox"/>
Child Lock - Rear Doors	S	<input type="checkbox"/>
Rear Windshield Defogger	S	<input type="checkbox"/>

INTERIOR
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Bucket Seats with Adjustable Head Rest (Front)	S	
Fabric Seats	S	
Power Steering	S	
Steering Wheel 2 Spokes	S	
Steering Lock	S	
Speedometer with Odometer & Tripmeter	S	
Fuel Empty Warning Lamp	S	
4 Speed Fan Airconditioner	S	
Heater	S	
MP3 CD Player / Radio AM/FM with Remote	S	
Speakers - 2 Front	S	
Cigarette Lighter	S	
Front Ash Tray	S	
Digital Clock	S	
Glove Box	S	
Floor Console Box with 2 Cup Holders - Front	S	
Parking Brake Lever Cover Rear	S	
3 Position Room Lamp - All Doors	S	
Sunvisor with Vanity Mirror-Driver & Co-Driver Side	S	
Sunvisor with Ticket Holder - Driver Side	S	
Sunglass Holder - Driver Side	S	
Assist Grips - 2 Piece	S	
Arm Rest Integrated in Door Trim - All Doors	S	
Power Windows - Front	S	
Door Pocket - Driver and Co-Driver Side	S	
Cable Remote Fuel Lid Opener	S	
Cable Remote Tailgate Opener	S	
Carpeted Luggage Compartment	S	
Floor Carpet	S	



Heel Pad	S	
Rear Seat - One Piece Folding w/o Headrest	S	
Back Pocket Co-Driver Seat	S	
Shopping Hook Front Seats Headrests	S	
Rear Parcel Shelf with String	S	
Luggage Compartment Lamp	S	

EXTERIOR		
Head Lamps - Multi-Reflector	S	
Automatic Shut-Off Headlights	S	
Body Color Bumpers - Front & Rear	S	
Front Windshield Tinted with Shaded Band	S	
Front Wiper - 2 Speed w/o Intermittent	S	
Roof Mounted Radio Antenna	S	
Body Color Outside Rear View Mirrors	S	
Driver Side Outside Rear View Mirror Internal Adjustable	S	
Co-Driver Side Outside Rear View Mirror Power Adjustable	S	
Molded Color Door Handles	S	
Central Door Locking	S	
Molded Color Side Molding	S	
Mud Guards	S	
Rear Combination Lamps	S	
Molded Color Tailgate Handle	S	
Single Arm Rear Wiper and Washer	S	

### PRICES:-

Same as competitor's price.

The recent price is Rs 620,000 with genuine CNG kit in Karachi.

Islamabad – Rs. 689,000 (Chevrolet Joy CNG)

Islamabad – Rs. 649,000 (Chevrolet Joy Petrol)

### **PLACE:-**

In Karachi, there is only one dealer i.e. World Automobile and to cater the whole Sindh they have just 4 outlets in Karachi. While in Rawalpindi and Lahore they have 3 and 2 outlets respectively. In Peshawar 1 outlet is available. That shows the lack of availability of this car which hinders its success in Pakistan.

### **PROMOTION:-**

Promotion was not good. Marketers were not efficient. After 2006, they promoted their product in several malls like Park Towers, Expo Center etc. ATL activities have not been endorsed much which created the obstacle in their path of success.

### **BCG MATRIX:-**

According to BCG Matrix, it is a *question mark* product.

### **SWOT ANALYSIS:-**

#### **Strengths:**

- Company brand name associated
- Unique features
- Low cost
- Power steering and safety
- Variety of colors
- Air Conditioner

#### **Weakness:**

- Less importing dealers
- Resale value is low
- Limited Showrooms

- Limited Customers
- Not availability of spare parts
- High leasing facility

### **Opportunities:**

Since the American brand has got the unique and special position in consumers of Pakistan so this tactic can be used by Chevrolet also to realize its customers that they can associate themselves with America by owning this car.

- Aiming at a segment which is untouched
- Satisfy the implied needs of middle class people i.e. status symbol.
- Attractive car for new segment i.e. students of universities and colleges

### **Threats:**

- Delay in production because of politics
- Probability of risk is higher.

### **WORLDWIDE AVAILABILITY:-**

This car is available in different countries and it is gaining popularity in those countries. Some of them are listed below:

- Iran
- Philippines
- Singapore
- South Africa
- Thailand
- Vietnam

### **COMPETITORS:**

Since Pakistan's automotive sector has experienced a huge growth rate, many local and foreign auto brands have installed their assembly plants in the country. These companies include Adam Motor Company which has the privilege of designing and manufacturing Pakistan's first homegrown (mass produced) car known as Adam Revo . Pak Suzuki has established its company in 1980s and captured the whole lot of consumers who are interested in purchasing small cars. They actually enjoy the largest market share and its growing also so they possess the position of market leader in our market. While Toyota on the other hand has also captivated the consumers' minds and their heart by providing great reliability and safety in its cars with its well known Japanese Company name. so they become the second in the automobile market which introduce small cars in Pakistan. Its sister company Daihatsu introduced Cuore as the first automated car to challenge Suzuki Mehran and Alto.

Since there are a lot of small cars now available in Pakistan like, Hyundai Santro, Suzuki Alto, Toyota Vitz, Adam Revo but the main competitors of Chevrolet Joy in shape and feature wise are ALTO, MEHRAN and CUORE. While the automotive market position (small cars) is as follows:

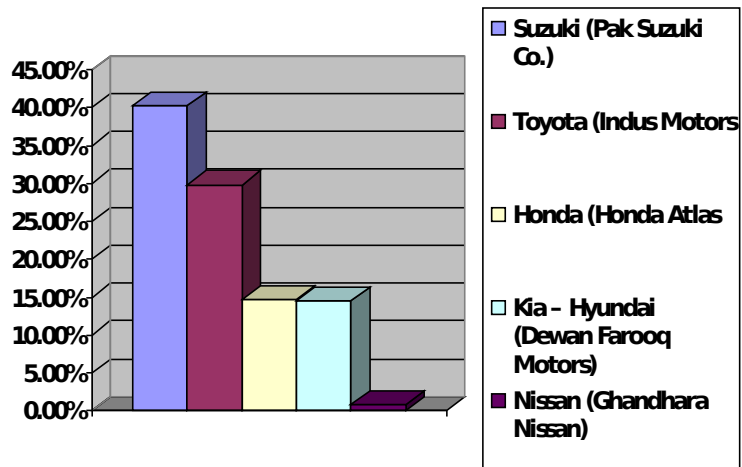
Leader: - Suzuki

Challenger: - Toyota

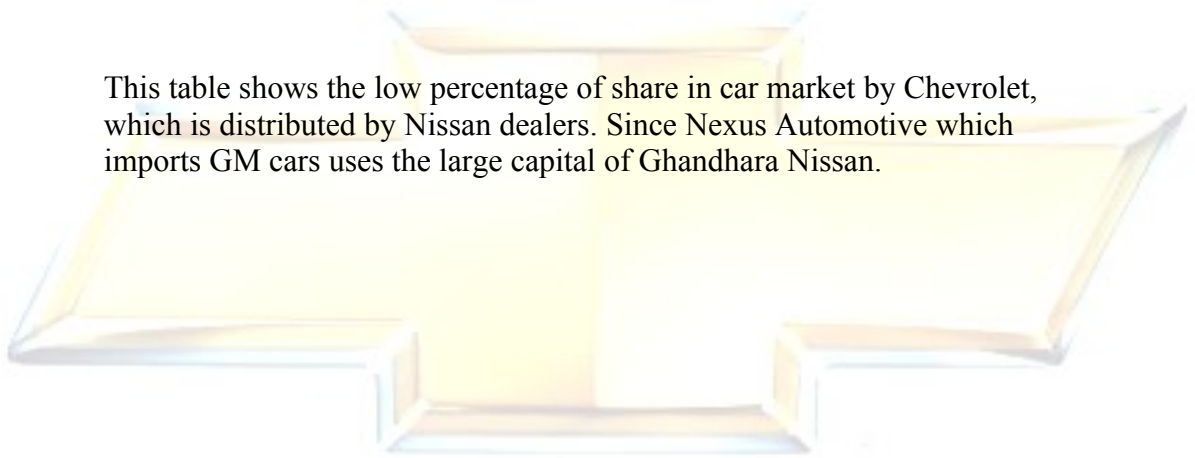
Follower: - Chevrolet

#### **MARKET SHARE:-**

<b>COMPANY NAMES</b>	<b>MARKET SHARE</b>
<b>Suzuki</b> (Pak Suzuki Co.)	40.2%
<b>Toyota</b> (Indus Motors)	29.8%
<b>Honda</b> (Honda Atlas)	14.7%
<b>Kia – Hyundai</b> (Dewan Farooq Motors)	14.5%
<b>Nissan</b> (Ghandhara Nissan)	0.8%



This table shows the low percentage of share in car market by Chevrolet, which is distributed by Nissan dealers. Since Nexus Automotive which imports GM cars uses the large capital of Gandhara Nissan.



## SUZUKI MEHRAN CAR



Suzuki Mehran is the bestselling car in Pakistan and is 800cc small vehicle. It is very reliable economical and have cheap parts that can replace easily. It is the most used cars in Pakistan. The price of this car is very affordable and is between USD5200 to USD6000, making it easy for the middle class person to purchase it. Suzuki mehran car has 4+1 Hatchback doors. Overall length is 3,300mm, overall width is 1,405mm and overall height is 1,410mm. Wheelbase is 2,175mm, tread front is 1,215mm and tread rear is 1,200mm. The minimum turning radius of the car is 4.4m.

### **MARKETING STRATEGY:**

#### **TARGET MARKET:-**

It is targeted to the middle income people who cannot afford big cars.

#### **POSITIONING:-**

Its positioning in the minds of consumers is “reliable and economical small vehicle”.

## **MARKETING MIX:**

### **PRODUCT:**

Suzuki Mehran car has a 4-stroke cycle, water-cooled, OHC, 3 Cylinders engine. Piston displacement is 766cc. Bore x Stroke is 68.5×72.0mm. Car has a maximum power output of 29.4/5,500 (kw/rpm) and Maximum torque of 59.0/3,000 (N-m/rpm). Suzuki Mehran is a manual transmission car with 4 forward and 1 reverse transmissions/gears. Steering is Rack Pinion, Front Suspension is Strut, Coil spring and rear suspension is leaf spring. Front brakes are disk based while rear brakes are drum based. Tyre is 145/70 SR12. Car has 5 seats, a fuel tank of 30L and CNG cylinder of 40L.

This car has a heater, Sun visor on both sides, room lamp with 3 positions, reclining and sliding front seats, adjustable front seat headrest, assist grip (3 pieces), glove compartment, coin receptacle, front ashtray, interior rear view mirror, multi-reflector headlamps, foldable outside mirrors on both sides body side molding, back door lock, child locks and seat belts. CNG option for this car model is also available.

The Suzuki Mehran car has two models that are available in the market.

### **Suzuki Mehran VX:**

Suzuki Mehran VX is base model of Suzuki which is available in around **439,000** Pak Rupees. Its price can fluctuate in market at a particular time. It provides enough space for five people to sit in comfortably. Its petrol tank has a capacity of about 40 liters that can be extended up to CNG fitting. Price of Suzuki Mehran VX will increase by round 50,000 Pak Rupees in case of CNG fitting.

### **Suzuki Mehran VXR:**

This model of Suzuki Mehran is bit advanced than VX and its price is higher than the base model, 308R VX. Its price without CNG is about 54,000 more than VX model. Its price is for its additional features including air conditioner, seats made of fabric instead of vinyl as in base model. Other features include full wheel color and body side molding that are not there in base model. Suzuki Mehran VXR also has matching color bumper and front grill.



Some new models of Suzuki Mehran come with CNG Kit that is fixed in their manufacturing and its price increases for additional CNG Kit. There are several advantages of having car with CNG Kit as you will get highest mileage per liter and you will also don't need to take extra safety measures as it comes with built-in gas ventilation system that work to prevent any type of gas leakage problem.

Presence of air conditioner also increases its worth in money. Most of Suzuki Mehran models come without air conditioners because they have small engines that don't support air conditioning systems. Suzuki Mehran models having air conditioners are about 50,000 rupees higher in price.

Many people go for investment in second hand cars and they might get cars at lower rates than new ones. Price of older model will depend on condition of car and its year of maintenance.

#### **PRICE:**

Suzuki introduced a small sized car named as Mehran in Pakistan around in 1988 and has become one of most popular cars here. It earned a good name for many reasons such as its mileage and easy availability of its spare parts. It is available in very economical price. Suzuki Mehran price is about **490,000** Pak Rupees that is quite affordable for middle income people. You can also have metallic color on your Suzuki Mehran by spending more **5000** Pak Rupees and you will also pay Freight **10,000** including insurance.

Suzuki Mehran comes with number of features that include a matching grill in front and very elegant steering wheel. It is good for efficiency and gives good mileage coverage in a liter of petrol. Suzuki has introduced number of models this durable and elegant car and every new model has different set of features and price.

#### **PROMOTION:**

Sales promotion and advertising were done to promote Mehran among Pakistani consumers. Suzuki established a brand name in consumers' minds and made an economical car to attract the consumers. They developed large dealership network to help in promoting their cars.

#### **PLACE:**

Many car showrooms deal in Suzuki Mehran and it can also be purchased online.

#### **STRENGTHS:**

- Japanese Company name i.e. Suzuki
- The body parts of Suzuki are quite cheap, therefore, can be easily found in all the local markets.
- Car also has a very good fuel average and the consumption of CNG is also economical
- Suzuki also has a very good resale price and you can get hard cash
- Affordable prices for middle class people
- Good mileage coverage in a liter of petrol.
- Interior of cars have been improvised.
- Vehicles are attainable with factory fixed Compressed Natural Gas choices.

### **WEAKNESSES:**

- Not a tough car and cannot bear accidents
- Design of Mehran cars is orthodox and not paid much attention.
- Manufacturing fault in Mehran's brake
- Smoke comes from the Mehran cars' silencers.
- AC performance in Mehran cars is not up to the level of expectations.
- Mehran noise problem.
- No air conditioner in Mehran

### **ALTO 1000 CC**

### **Marketing strategy:-**

#### **TARGET MARKET:**

It is targeted to the middle class people who want luxurious experience of 1000cc car with comfort.

#### **POSITIONING:-**

Its positioning in the minds of consumers is "stylish and comfortable small vehicle".

### **MARKETING MIX:-**

#### **PRODUCT:**

Alto has smooth-riding, comfort, functional, easy to use and sharp looks. Offering maximum efficiency and powered by a 1.0-litre engine delivering peppy acceleration and responsive performance, the Alto fully

responds to today's driving needs in smart and stylish fashion. An exciting set of new features now make the Alto even more stylish, more convenient and more comfortable.



### **Design Concept:**



### **Interior**



A spacious, comfortable cabin with new seat-fabric design for the VXR version, reclining and sliding front seats, and new gearshift lever console.



Functional cockpit - instrument panel with a new, easy-to-read white meter panel and digital twin trip meters. Easy-to-operate controls.



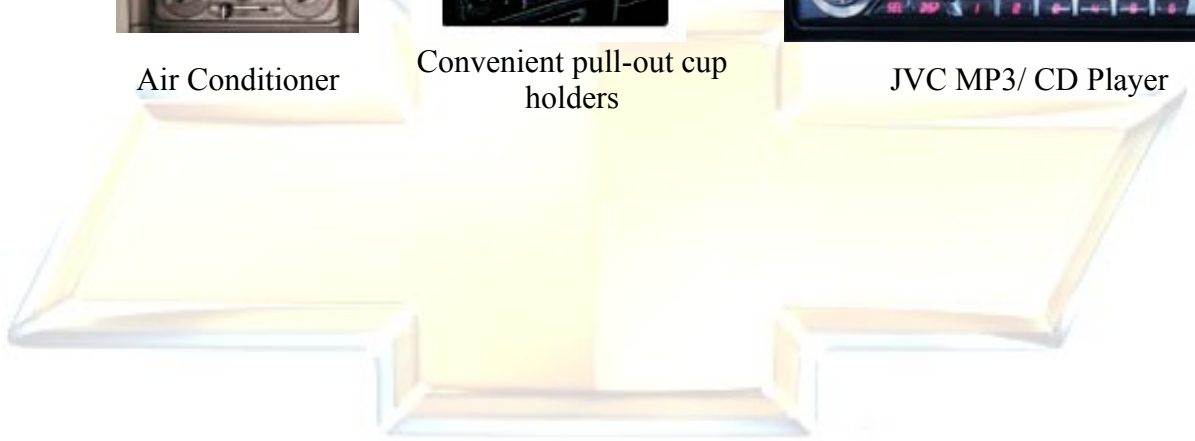
Air Conditioner



Convenient pull-out cup holders



JVC MP3/ CD Player



## Exterior



Stylish Front Grille & Bumpers



Brilliant Rear Combination Lamps



Sparkling Head Lights

**CNG**



Optimized Capacity Cylinder of 55L



Side-by-side  
CNG/Petrol filling

**Colors:**



## PRICE:

Price Including ST w.e.f 18/09/2010

Identification	Price
Alto VXR	Rs. 643,000/- *
Alto VXR CNG	Rs. 692,000/- *

## PROMOTION:-

Huge promotions were done to promote this car from the Suzuki family in the market to grab the attention of consumers. ATL activities were done and hoardings were put at almost every corner of the city (Karachi) to promote it well.

## STRENGTHS:

- 1000cc Car
- Appealing exterior of Alto
- Good mileage coverage in petrol
- Affordable prices for middle class
- Good resale value
- Availability of spare parts

## WEAKNESSES:

- Not good consumption in CNG
- Features like, CD Player, Power Steering, Power Windows are not provided
- AC performance goes down with CNG
- Not road worthiness car
- Engine does not support the exterior.

CUORE DAIHATSU





## **MARKETING STRATEGY:**

### **TARGET MARKET:**

It is targeted to middle class (upper middle, middle) as Suzuki Mehran and Alto targeted.

### **POSITIONING:**

The positioning of Cuore in the minds of customers is “smooth ride with great suspension and comfort”.

## **MARKETING MIX:**

### **PRODUCT:**

#### **Exterior**

From the world of Toyota comes a quality company Daihatsu Cuore. Using superior Japanese technology and designed with the needs of drivers in mind, the Daihatsu Cuore offers unmatched performance, consistent reliability, driving comfort and safety. Truly an experience beyond the ordinary.

#### **Interior**

The Cuore has a roomy interior with powerful air conditioning that will keep you cool even in sweltering heat. Independent suspension promises a smooth ride while responsive steering ensures complete control truly putting you in the driver's seat. Improved fabric has also been used for seams and seat trims for a luxurious experience.





## Colours

(Available in solid and metallic colors)



## Performance

Both the Cuore and Cuore Eco have 847 cc, 3 cylinder engine with 5 speed manual transmission provides raw power and control for matchless acceleration and performance.

The Cuore Automatic has a 847 cc, 3 cylinder engine with 3 speed Automatic transmission. It also has a maximum output of 30.0 kw/5500 rpm and maximum Torque of 65N.m/3200 rpm.



Cuore's roomy interior, powerful air conditioning, independent suspension and responsive steering ensure a comfortable and smooth ride for you.

## Safety

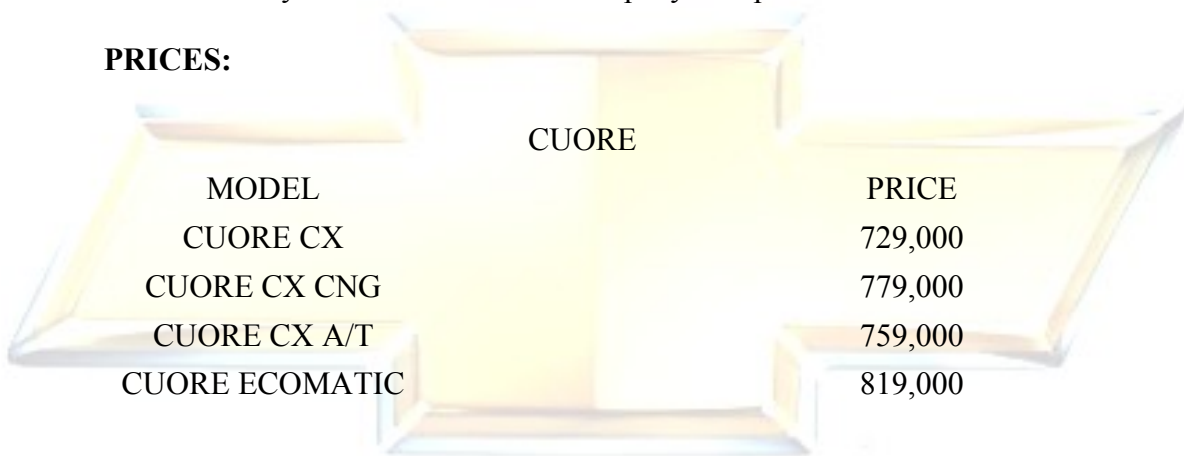
The advanced structural design and side impact bars of the Cuore protect you from side collision. Additional safety is provided by 3P ELR front seat belts while Cuore booster brakes ensure reliable stopping power with only a slight touch of the pedal.

Cuore Eco features a safety ring at the point where the high pressure pipe joins the regular joint to provide flexibility. This is to ensure that in the event of an accident, the joint remains intact and there is no danger of CNG leaking out of it.

A specially designed metallic guard bar is used for the protection of the high pressure pipe joint of the cylinder valve. In contrast, other cars do not have this feature in the luggage compartment.

The factory fitted CNG promises safety and reliability. The CNG kit has been exclusively made for Cuore and elaborate tests have been conducted and verified by the Daihatsu Motor Company in Japan.

**PRICES:**



CUORE		
MODEL		PRICE
CUORE CX		729,000
CUORE CX CNG		779,000
CUORE CX A/T		759,000
CUORE ECOMATIC		819,000

**PROMOTION:**



They promoted heavily using ATL activities and advertise it in newspapers, on billboards, banners and etc. they tried to promote the concept of “an experience beyond ordinary”. Because it was first automated compact car so they actually put on this concept in their ads and thus got success in grabbing consumers’ attention.

#### **PLACE:**

Toyota believes in 3S system (Sales, Service and Spare parts) so they operate with 28 dealers in 16 cities. Their Service network has a total number of 663 repair stalls/ bays which keep consumers connected with them and it is accessible to them.

#### **STRENGTHS:**

- Daihatsu Motor Company in Japan.
- First automated compact car
- Luxurious experience while driving
- Provision of side impact bars gives safety
- Road worthy car
- Good suspension and engine
- Good fuel consumption

#### **WEAKNESSES**

- High price for middle class
- Expensive spare parts
- Not good resale value
- Design is not supportive with Pakistani roads
- Company fitted CNG is not available

### CONSUMERS REACTION TOWARDS CHEVROLET JOY:-

According to the some of the consumers to whom we have collected some data, they have given us the following score and remarks about Chevrolet Joy:

<b>Chevrolet Joy Specifications</b>	<b>Score</b>	<b>Remarks</b>
<b>Performance</b>	9/10	Class leading
<b>Grip &amp; handling</b>	8/10	Very good
<b>Space &amp; Comfort</b>	8/10	Very good
<b>Reliability</b>	8/10	Great
<b>Fuel economy</b>	8/10	Extraordinary
<b>Maintenance</b>	6/10	Slightly more expensive than other rivals
<b>Resale</b>	5/10	Reasonable
<b>Price</b>	9/10	Best price in its class
<b>Equipment</b>	8/10	Very well equipped
<b>Build quality</b>	9/10	Great

This data indicates that company should work on the area of maintaining and resale because these are the sectors in which competitors are doing well while Chevrolet is not.

### RECOMMENDATIONS:

- Chevrolet should promote its “Joy” heavily and make strategy that lead company spend much on promotional and advertising budget.
- They should open more outlets in Karachi and revive this car because it is not a dog product and it can anticipate large market share in future.
- They should start manufacturing spare parts locally so that the availability issue can be addressed.
- Hiring of educated and experienced employees is the need of the hour.

- They should concentrate on the marketing strategy of Joy and should hire experienced and creative marketing people and executives who can make them work well.
- Dealers should be given incentives to give them motivation to sell out Joy.
- Leasing facility should be given more because middle class consumers usually lease their cars so they should cut down their markup and give much benefit to the people.

Though, Chevrolet has targeted an untouched segment and i.e. cars for ladies but they have selected middle class ladies for their target market, which does not constitute a large market share as it is discussed earlier in the consumer psyche section, that's what restricted them promoting it for the whole middle class segment and also lead them less opportunities for its promotion. Due to this, it is even not advertised and disseminated in their ads and promotions.

- It is recommended that they should change their lady driven car concept and make it for the whole middle class segment and should establish their strong American company's name in the consumers' minds.
- They should propagate their low price among consumers and should communicate them about the value they are giving and cater to their implied need of status symbol because this brand name is associated with the big company name.