MARUTI – VALUING THE INDIAN USED CAR MARKET



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Short Description

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Description

The caselet examines the entry of Maruti Udyog Limited (MUL), the leading Indian car manufacturer, into the used car market. Between the late 1990s and early 2000s, MUL found its profit margins going down. This made it imperative for it to look for other revenue generating avenues, and this included the entry into the user car market in India. The caselet also examines how Maruti used its customer relations practices to build customer loyalty and word-of-mouth awareness.

Issues:

- 1. Evolution of the used car-market in India
- 2. Role of word-of-mouth in developing new business for a company
- 3. The role of changing demographics in developing new markets jetBlue Airways (jetBlue), a New York-based low-cost airline flying to 32 cities in the US in 2005, started operating in 2000.

Maruti Udyog Limited (MUL), the largest automobile company in India in 2005, came into existence through an Act of Parliament in 1981. In 1982, MUL entered into a joint venture with Suzuki Motor Company of Japan to manufacture cars in India. With the entry of MUL, the car market in India started growing...

Questions for Discussion:

- 1. It was after the entry of companies like MUL, Ford, Mahindra, etc., that the organized used car market in India attained critical mass. To what extent has the entry of these players changed the consumer behavior towards the used car market?
- 2. "In 2001, MUL, the market leader in the car industry in India, entered the used-car market in India by launching its True Value operations." How will the entry of Maruti into the used car market help the company maintain its leadership position in the Indian car market?

Details

- 1. Case study solved answers
- 2. pdf/word
- 3. Fully Solved with answers