

# MARK-UP

Marketing E-Magazine



Institute For Technology And  
Management

## FROM THE DIRECTOR'S DESK



*Dr. Lakshmi Mohan*  
*Director*  
*ITM Business School*

The buzz line for Marketing is “Never Stop Building Your Audience. This is most apt for the Newsletter “Mark Up” too! As the readers group, the content would make a mark, and this is what makes Mark Up special.

Marketing and Innovation will be lifeline of any business, irrespective of whatever technological advancements we may make. The whole organization essentially derives its energy boost up from Marketing. Mark my words when I say, it will take just these two years to learn Marketing, but it will take a lifetime to master the technique. Marketing again is not left alone to marketing department, it is the whole organization and its people who need to speak the same language. Every employee's action and words make a mark to woo the King (Customer) and that's marketing.

“To get ahead we need to start” and Mark Up is absolutely a great start for sharing marketing stories, latest happenings and content that can add great value to your learning's and personality!

Happy Reading!

Best Wishes and Regards

## FROM THE HOD's DESK



**Prachi Gupta**  
**HOD PGDM,**  
**Marketing**

Marketing is all about mavens' magic, impactful impressions, tumultuous transformations.

I am so happy that this initiative of e-magazine 'Mark-up' by Marketing department is pacing towards creating that magic & impression through the power of apt information & knowledge.

After the successful launch of first issue which covered Gen Z in a fascinating way, team 'Mark-up' is all set to gain momentum with each passing edition. The current one touches upon the Automobile sector which is in a state of brewing tornado.

Creativity & innovation are the hallmarks of every marketing strategy and we see these abound today in every sector especially in the moving segment of automobiles. New categories and sub-categories are emerging, from a time when Maruti 800 represented modern personal transport to today when our choices span from Sedans to SUVs to MUVs to Crossovers.....to a time fast approaching when technology loaded driverless cars will be within the choice set of Gen Z. And are we stopping there!!

Keep moving with the zeal & thrill of a true marketer.

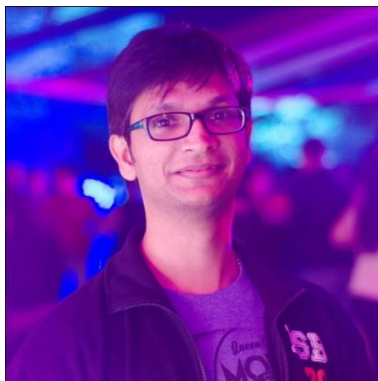
Best wishes to team Mark-up for a long meaningful journey.

# *CONTENTS*

- **From the Guests**
- **Editor's Say**
- **Mark-Up Feed**
- **Mark-Up Tweets**
- **Mark-Up Appetizer**
- **Mark Toons**
- **Events**
- **Editor & Graphic**
- **Mark-Up Family**
- **Coming Up**

# FROM THE GUEST

## Electric Car – Automotive revolution is almost here!



**Author: Sagar Vaidya**  
**Marketing Accounts, Mahindra & Mahindra Co**

Since early 2000, India has moved towards mobile phones and smart phones; leapfrogging from computers to smart phones unlike the West which went from personal computers in late 1980s to laptops and then to smart phones. In 2018 yet again, India has embarked on its most transformative revolution with a move to Electric Cars skipping the need for hybrid cars.

With sales of over 21 million vehicles including two-wheelers, India is the 6<sup>th</sup> largest automotive market in the world. Hence, Indian government's recent announcement to shift to electric cars by 2030 has piqued the interest of global manufacturers and foreign governments alike. The move is not only expected to reduce emissions by over 35% but also reduce India's import of Oil

resulting in savings of billions in foreign exchange.

Indian government is already taking steady steps to build an environment to back the move and is investing in infrastructure to support this initiative. Further, the goods and services tax (GST) Council has set a 12% tax rate for electric vehicles, compared with 28% plus cess for petrol and diesel cars and hybrid vehicles sending a clear message to upkeep to its intent.

Indian auto companies such as Mahindra and Mahindra have already started their journey much ahead of time and has a range of electric vehicles to cater to the new demand. In fact, it is the only Indian company to compete in Formula E and is a founding member of the prestigious global competition of electric cars since 2014. As a matter of fact, BMW and Mercedes have joined the race only as recently as 2017.

While these are welcome steps towards the greener and environmentally safer option, a lot of ground needs to be covered especially when compared to some of the developed countries. Norway, for instance, provides government support, reserved parking and other facilities to incentivise adoption of electric cars. Similarly, other global giants such as US, Germany, Japan, China etc. are racing ahead to make electric cars on road a reality. The future of electric is here, now.



# Frauds in Automobile Sector



**Author: Mr. Yogen Vaidya**  
**EY, Fraud investigation & dispute**  
**Services.**

With the rapid growth of automobile sector in the past two decades it has further increased the risks of fraud in the sector. This sector has seen quite varied issues like employee frauds, IPR violations, counterfeit products, warranties and claims, money laundering, violation of competition law, etc.

From India’s perspective, it is often said that we are a country of third parties. Specifically compared to other sectors / industries, in this sector, the dependability on third parties is very

high whether we talk about third party managed assembly line, manufacturing of components and parts by third parties, supply of contract labour, authorized distributor/ service centre, finance and insurance tie ups, logistics vendors, administrative and other facilities providers and capex vendors. These further increases the fraud committed by third parties on fictitious billing, duplicate supply, siphoning of stock, vendor favoritism and kickbacks to Company employees, etc.

Further with the change of technology, high employee turnover is giving rise to such incidences of fraud.

However, many leading companies are investing in building a robust anti-fraud framework to tackle this menace of fraud. This is also helping them to reduce the fraud, loss and improve margin eventually. One cannot rule out incidences of fraud fully but can control it to the extent possible and keep it under reasonable limits and contribute to the Corporate objective of maximizing profit for the automobile company.

# EDITOR’S SAY



**Author:** *Prutha Vaidya,*  
*ITM Business School*

Did you know there are 1 billion cars currently in use on earth and about 1, 65, 000 cars are produced every day? Why is there such a craze for cars? Why is it the reason for so many people's happiness? Is it a necessity now? The answers to these questions would differ from person to person but the common feeling a car brings is HAPPINESS!

The automobile industry is growing at a very fast pace. It has a car for every kind of individual to fulfill different needs. This industry includes two wheelers, trucks, cars, buses and 3 wheelers which play a crucial role in the

growth of the Indian society as well as economy. The country is expected to top the world in car volumes with approximately 611 vehicles by 2050.

Automobile industry has now progressed to a new level. They have now started supporting the environment by coming up with green cars, electric cars, eco-friendly cars. 92% of all new sold cars in Brazil use ethanol as fuel, which is produced from sugar cane.

Mr. Ferdinand Porsche has rightfully said,"I couldn't find the sports car of my dreams, so I built it myself".



# MARK-UP FEED

## Automobiles in India



Author: **Prof. Aishwarya Kelkar**

The automobiles sector is compartmentalized in four different sectors which are as follows:

- Two-wheelers which comprise of mopeds, scooters, motorcycles and electric two-wheelers
- Passenger Vehicles which include passenger cars, utility vehicles and multi-purpose vehicles
- Commercial Vehicles that are light and medium-heavy vehicles
- Three Wheelers that are passenger carriers and goods carriers.

The automobile industry is one of the key drivers that boosts the economic growth of the country. Since the de-licensing of the sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian automobile sector has come a long way. Today, almost every global auto major has set up facilities in the country.

As per the Confederation of the Indian industry, the Indian automobile sector is:

- Largest three-wheeler market
- Second largest two-wheeler market

- Tenth largest passenger car market
  - Fourth largest tractor market
  - Fifth largest commercial vehicle market
  - Fifth largest bus and truck segment
- The Tenth largest passenger car market in the world emphasizes more on 'Family Car' inspite of there being further segments within the passenger car market in India.

In advertising, the concept of family is almost always a positive one—bringing joy, comfort and meaning to people's lives. Such has been a case with respect to advertising of automobiles in India amongst various industries. Tata Nano came into existence as an affordable family car.

Hyundai, when launched and promoted their Santro in India, positioned it as 'A Complete Family Car' in the advertisements. Volkswagen has always given weight to 'Generations' for promoting their range of automobiles. Inspite of the changing audience, i.e. we as people have started shifting from joint families to nuclear families, the essence of family remains unchanged.

The automobile industry with blink-of-the-eye rapid advancements technology has come a long way from being a vehicle to a self-driven vehicle. The sole purpose of a car is that of transportation from one destination to another. However, the advertising and promotions romanticize the journey and



not the destination which all the more motivates and inspires consumers to tell their story with their vehicles.

The Indian automobile industry has a prominent future in India. Apart from meeting the advancing domestic demands, it is penetrating the international market too. Favored with

various benefits such as globally competitive auto-ancillary industry; production of steel at lowest cost; inexpensive and highskill manpower; entrenched testing and R & D centers etc., the industry provides immense investment and employment opportunities.

Source :<http://info.shine.com/industry/automobiles-auto- ancillaries/3.html>



# INNOVATION IS THE FLAVOUR OF THE SEASON!



**Author:** Arka Roy

“If I asked people what they wanted they would have said faster horses”, Henry Ford, from that very phase to this very phase the automobile sector has seen major developments wrapped with innovation quality and performance delivery. Now with greater innovation and developments it’s possible to manufacture a car suitable towards middle class or a nano for a lower middle class. With the effective application of brand straddling positioning strategy, car manufactures of higher end class like BMW, AUDI are delivering quality with class and performance. There was a time when it took a week to manufacture a car, but now the winds of change are blowing,

According to leading car manufacturer and market leader “MARUTI SUZUKI”, 7 process shops, 5 assembly lines, around 1,700 robots, 3 stages of inspection, takes just 12 hours to make one car. And we make one car every 12 seconds. In fact, one more is ready just as you finish reading this line.” This high-end innovation and efficient use of artificial intelligence has made the whole line of manufacturing process easy. It has to be seen that this kind of development has also made the car manufacturers to increase their product line either through upward stretching, downward stretching or line modernization. Even when seen through the eyes of consumers, it’s been beneficial as they are able to get greater benefits at much lesser price as the manufacturing cost has come down considerably and with constant innovation, technologies are becoming out of trend very fast, so a price drop comes very fast. One of the major development is adopting the “Green Manufacturing Process” by various car manufacturers which has brought down the harmful impact on environment. As per the reports of MARUTI SUZUKI, “All our power plants use natural gas. We discharge Zero waste outside factory premises. In FY 2011-12, a total of 12,34,767 cubic meters water was recycled and reused.”

So to conclude it is the innovation which is driving the force of automobile industry, with new technology coming in cars are getting better to be experienced and easy to be driven. “Necessity is the mother of invention“, yes it’s absolutely correct for the automobile industry where the consumer demands for more technology and features which has become a necessity nowadays is actually forcing the car manufactures to focus more on innovation.

# INDIAN AUTOMOBILE INDUSTRY OVERVIEW

**T**he automobile industry plays a significant role as it has employed 9 million people and includes approximately 5% of world's total employment in manufacturing unit. Production of world's automobile industry has spread across three major regions that includes North America, Europe and Asia. World's automobile Industry has undergone major restructuring and India has become a leading player along with nations like China, south Korea, beside the giant Japan.

Post Independence, India espoused a central economic system, a partial liberalization was implemented in 1980. The central government formed a venture with Maruti Udyog in 1981. The cars produced by Maruti were affordable for Indians, small in size and suitable for Indian roads. The passenger

car market in India is dominated by Suzuki, Hyundai Motors and Tata Motors where Suzuki has dominated with more than 50% of the passenger car market share and has covered more than 90% of both brand and price competitiveness. Indian automobile industry has its origin in 40s and has considered growing due to economic liberalization including 100% FDI in the sector. The Indian automobile industry is striving for global competitiveness and is clear from the fact that the manufacturers are the second-largest after Japan for the quality for deming. Indian economy has provided to its citizens the best fuel rates as well as affordable cost of ownership. Thus, buyer decision process is the decision making factor which is taken by consumers in response to a potential market before, during and after the purchase of a product or service.

Author: **Amima Shoeb**



## Future Trends in the Automobile Industry

In the Auto Show of February 2016, the industry promised a blend of technology and automotives. With the recession trend breaking its leashes form the past two years, 2016 was expected to bring the automobile sector back on track.

Self - governing cars are predicted to be on the streets by 2020.

More than half the cars on the streets are going to be powered by diesel by 2020.

Industry watcher Gartner indicates that 30 percent of motorists want parking information. The facility is likely to come up after removing glitches in the infrastructure.

High performance hybrid cars are likely to gain greater popularity among consumers.

The Indian automobile industry has a prominent future in India. Apart from meeting the advancing domestic demands, it is penetrating the international market too. Favored with various benefits such as globally competitive auto ancillary industry; production of steel at lowest cost; inexpensive and high skill manpower; entrenched testing and R & D centre's etc., the industry provide immense investment and employment opportunities

## Demonetization effect on Auto Industry

According to the reports of manufacturers, dealers and bankers, demonetization has badly affected the market with demand weakening in Gujarat, Punjab, and the National Capital Region.

Used cars sale is also expected to plummet by 50% leading to the loss of revenue of Rs.3, 900 crore.

Footfall at Showroom of Hero MotoCorp has dropped by 15% in the first two days of demonetization drive

The larger effect is seen in the unorganized used car market, which is driven mostly by cash based deals

**Author:** Adeel M.



MARK-UP TWEET



Automobile Magazine   
@automobilemag



The @MINI logo has been stealthily revised for 2018. The new badge was silently unveiled on Frankfurt's Electric concept.  
[amag.us/livuQw](http://amag.us/livuQw)



3:30 AM · Dec 14, 2017



Carscoops @Carscoop · 1h



Insiders Claim #FaradayFuture Is On The Verge Of Bankruptcy [carscoop.ps/Q5tmXN](http://carscoop.ps/Q5tmXN)



1



1





## *MARK-UP APPETIZERS*

# TATA MOTORS

Tata Motors will invest Rs 4,000 crore (US\$ 612 million) in the year 2017 and a major portion will go to passenger vehicles i.e. Rs 2,500 crores (US\$ 375 million) and the remaining Rs 1,500 crore (\$225 million) will be invested in the business over the next few years.



JSW Energy, a subsidiary of Jindal Group, has signed a Memorandum of Understanding (MoU) with the Gujarat government to set up an electric vehicle-manufacturing company at a cost of Rs 4,000 crore (US\$ 613 million) which will have the capacity to produce 2,00,000 electric vehicles every year.



BMW plans to manufacture a local version of below-500 CC motorcycle, the G310R, in TVS Motor's Hosur plant in Tamil Nadu, for Indian markets.



Hero MotoCorp Ltd seeks to enhance its participation in the Indian electric vehicle (EV) space by pursuing its internal EV Programme in addition to investing Rs 205 crore (US\$ 30.75 million) to acquire around 26-30 per cent stake in Bengaluru-based technology start-up Ather Energy Pvt Ltd.

MARK-TOON



## EVENTS

### ITM Run for Fun





# Maverick





# Kurukshetra





# Marketing Outdoor Project





# Corporate 2 Campus



## ***EDITOR AND GRAPHIC DESIGNER***



**Prutha Vaidya  
(Editor)**



**Deepen Ruprel  
(Graphic Designer)**

# *MARK-UP FAMILY*



**Top Left to Right:** 1. Alisha Goel 2. Prutha Vaidya 3. Manav Dhingra 4. Rupsi Mahajan 5. Rumela Das

**Bottom right to left:** 6. Deepen Ruprel 7. Prof. Arpita Pandey 8. Asad Ali Kathawala 9. Pranesh



## *COMING UP NEXT*

