



All Hail Maruti!

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No other automaker in the world's largest vehicle markets has ever matched Maruti-Suzuki's stranglehold in India. Nor has the gap in market share between the top-two players in any individual market been as wide.

Looking back to 2006 (our earliest source of detailed data for India), the then Maruti Udyog Ltd controlled 41% of India's Light Vehicle sales. Tata, its closest competitor at the time, had 21% market share.

From then on, market share for Maruti-Suzuki fluctuated, hovering around 40-41% until 2009, dipping to 33-39% in 2010-2014, and picking up to 41% in 2015. The ratio then crept up to an estimated 43% in 2019 as the automaker strengthened its grip on the market. This contrasts with a share of 14-21% over the past decade for its closest competitor – initially Tata, but Hyundai more recently.

Also impressive is Maruti-Suzuki's success in expanding market share by 10 percentage points since 2012, while battling ever greater challenges and fiercer competition.

Looking at the ten biggest global auto markets (using 2019 sales volumes), the only OEM to have come close to Maruti-Suzuki is Toyota in Japan, with 27-31% of the market in 2000-2019. Meanwhile, Honda, Toyota's nearest local rival, hovered in the 12-16% range over the two decades. Note, however, that the share disparity between these two Japanese OEMs in their home market was smaller than that of Maruti-Suzuki and its closest competitor in India.

So, how can we account for Maruti-Suzuki's phenomenal success?

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In its infancy, Maruti offered value-for-money Small Cars for the masses at a time when buyers had limited options. And by reading the pulse of the Indian market sooner than its competitors, Maruti-Suzuki was able to launch the right products at the right time, using marketing campaigns that chimed with the prevailing buyer sentiment.

While it would be remiss to overlook Maruti-Suzuki's achievement in recouping lost market share, we cannot ignore the fact that global OEMs, such as GM, Ford, Toyota and Volkswagen, showed little activity when it came to launching new models and variants in India, particularly in the bread-and-butter Sub-Compact Car segment. The likelihood is that they failed to understand the nature of the local market and were swayed by the lack of importance ascribed to India on the global automotive stage at the time.

Recognising the threat from these global players, as they up their game in India, Maruti-Suzuki soon changed tack and is now emerging as a Premium brand, with the help of models like the Vitara Brezza, Baleno and Ignis. This ability to rapidly and astutely adapt to changing market dynamics is perhaps most evident in two key decisions: firstly, the creation of the NEXA retail format to distribute high-end models under the Suzuki brand and, secondly, rebranding the dealerships responsible for selling mass-market Maruti-Suzuki models under the ARENA moniker.

In short, Maruti-Suzuki is shoring up its future with a product strategy focused on SUV expansion, as well as a solidified range of Mini and Sub-Compact Cars. And with the Suzuki-Toyota partnership facilitating access to EV technology, Maruti-Suzuki has well and truly raised its shields against any future market disruptions.