

A study on impact of innovation on marketing Mix Strategies in automobile industry with reference to product decisions

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Abstract

Innovation - Every company owes its existence to innovation, at least compared to its competitors in the industry. Innovation is critical to organizational survival and a means of protecting competitive advantage. However, it is not enough to achieve technological progress for sustainable development, which means understanding market needs, having market-oriented products that offer quality and/or supporting services, organizing them efficiently and producing them at a cost-controlled point in time. Consumer behavior is a dynamic area of research. Consumer behavior towards innovations depends on consumers' ability to innovate. Consumer innovation refers to the use of innovation. The automotive industry has seen innovation since its beginnings in the late 18th century. In the automotive industry, many innovations fail due to lighting in production. But it takes a long time for what is marketed to be accepted by consumers. This article attempts to examine consumer behavior towards automotive innovations with a critical literature review. It further explains the innovations in the automotive industry. Consumers behave differently with every innovation. There are some quality innovations in cars. But not so in India. The Indian market has yet to understand the importance of advanced technology and security.

Keywords: *Strategy, Innovation, Marketing Mix, product decisions*

Introduction

In the automobile industry, innovation in the marketing mix can be achieved through product development. This refers to the process of creating new or improved products to meet the changing needs and preferences of customers. Product development can involve a range of activities, such as:

1. Research and development: This involve identifying customer needs and conducting experiments to test new ideas and technologies.
2. Design: This involves creating the appearance and functionalities of the product.
3. Testing: This involves testing prototypes of the product to ensure that they meet safety, quality, and performance standards.
4. Launch: This involves introducing the product to the market and making it available for purchase.

By constantly innovating in product development, automobile companies can stay ahead of the competition and meet the evolving needs of their customers. This can help them maintain market share and increase profits.

Objectives of the Study

1. To understand how product development strategies can be aligned with marketing mix elements (such as price, promotion, and distribution) to create value for customers.
2. To identify best practices for using marketing mix innovation to differentiate products in the crowded automobile market.
3. To explore how advances in technology and changing customer needs can impact product development decisions in the automobile industry.
4. To analyze the role of market research in informing product development and marketing mix decisions.
5. To evaluate the effectiveness of marketing mix innovations on product development in terms of sales, market share, and customer satisfaction.
6. To learn how to create a roadmap for continuous product development and marketing mix innovation in the automobile industry.

Methodology

It is a secondary data. I got the information from various sources like books, journals, networks, etc. So, this paper is an attempt to highlight the past, present and future innovation on marketing Mix Strategies in automobile industry for product development.

What Is Marketing Mix Innovation in Automobile Industry on Product Development

The marketing mix is a set of tactics that a company uses to promote and sell its products. In the automobile industry, the product development aspect of the marketing mix refers to the strategies that a company uses to design and bring new vehicles to market. These strategies can include things like identifying customer needs and preferences, developing new technologies and features, and continuously improving existing products.

Innovation in the product development aspect of the marketing mix is important in the automobile industry because it allows companies to differentiate their products from those of their competitors and stay ahead of changing customer demands. This can involve introducing new models or versions of existing models, or developing new technologies or features that meet the needs of a particular market or customer segment.

To be successful, companies in the automobile industry must be able to consistently innovate and bring new, high-quality products to market that meet the needs and preferences of their target customers. This requires a strong focus on research and development, as well as a deep understanding of customer needs and market trends.

Use Of Marketing Mix Innovation in Automobile Industry

The marketing mix is a set of tools that a company uses to promote its product or service to its target market. In the automobile industry, innovation in the marketing mix can be used to differentiate a company's product from its competitors and to appeal to customers. This can involve making changes to the product itself, such as introducing new features or designs, or making changes to the way the product is marketed and sold, such as through new channels or marketing campaigns. By innovating in the

marketing mix, an automobile company can better position its product in the market and attract more customers.

Tata Motor

Tata Motors, an Indian multinational automobile manufacturer, has a history of innovation in the product development aspect of its marketing mix. Some examples of product development innovations at Tata Motors include:

1. **Tata Nano:** This was a compact, low-cost car introduced in 2009, targeted at price-sensitive customers in emerging markets.
2. **Tata Motors electric vehicles:** In response to growing demand for electric and sustainable transportation, Tata Motors has developed a range of electric vehicles, including passenger cars, buses, and trucks.
3. **Tata Motors advanced materials:** The company has invested in research and development of advanced materials for use in its vehicles, such as high-strength steel, aluminum, and composite materials.
4. **Tata Motors connected car technology:** Tata Motors has integrated connected car technology into its vehicles, allowing for features such as remote diagnostics, real-time traffic updates, and predictive maintenance.

Overall, Tata Motors has demonstrated a commitment to product development and innovation in the automobile industry.

Maruti Suzuki

In recent years, Maruti Suzuki has made significant efforts to innovate and improve its product development in the automobile industry. Some key examples of marketing mix innovation in the product development aspect include:

1. **Introduction of new models:** Maruti Suzuki has launched a range of new models in the Indian market, including the Maruti S-Cross, the Maruti Vitara Brezza, and the Maruti Ignis. These models offer a range of features and innovations, such as advanced safety systems, fuel efficiency, and advanced connectivity features.
2. **Product customization:** Maruti Suzuki has introduced a range of customization options for its customers, allowing them to tailor their vehicles to their specific needs and preferences. This includes options such as different color options, interior trim options, and accessory packs.
3. **Focus on sustainability:** Maruti Suzuki has made a commitment to sustainability, and has introduced a range of eco-friendly vehicles in the Indian market. These include the Maruti Celerio CNG and the Maruti Baleno Hybrid, which offer improved fuel efficiency and lower emissions.
4. **Improved after-sales service:** Maruti Suzuki has invested in improving its after-sales service offerings, including the introduction of a range of service plans and extended warranties for its customers. This has helped to improve customer satisfaction and loyalty.

Overall, Maruti Suzuki's marketing mix innovation in product development has helped the company to remain competitive in the highly competitive automobile industry in India, and has contributed to its continued success.

Toyota

Toyota has a long history of innovation in the automobile industry, particularly in the area of product development. One example of this is the company's focus on sustainable and eco-friendly vehicles. Toyota was an early adopter of hybrid technology, with the launch of the Toyota Prius in 1997. Since then, the company has continued to expand its hybrid lineup and has also introduced fully electric and fuel cell vehicles.

In addition to its environmentally-friendly vehicles, Toyota has also made significant strides in safety technology. The company was one of the first to introduce advanced safety features such as lane departure warning, adaptive cruise control, and automatic emergency braking. These innovations have helped Toyota earn a reputation as a leader in safety and have contributed to the success of its vehicles in the market.

Another area of product development in which Toyota has been innovative is in its manufacturing processes. The company has long been known for its lean manufacturing techniques, which focus on minimizing waste and increasing efficiency in the production process. This has allowed Toyota to produce high-quality vehicles at a lower cost, making them more accessible to a wider range of consumers.

Overall, Toyota's commitment to innovation in the marketing mix, particularly in the areas of sustainability, safety, and manufacturing, has helped the company maintain its position as a leader in the automobile industry.

Mahindra and Mahindra

Mahindra and Mahindra, a leading automobile manufacturer in India, has implemented several innovative strategies in its marketing mix to enhance product development in the industry. Some of these include:

1. **Product diversification:** Mahindra and Mahindra have diversified its product portfolio to include a range of vehicles such as SUVs, electric vehicles, commercial vehicles, and tractors. This allows the company to cater to a wider customer base and meet diverse customer needs.
2. **Customization options:** The company offers various customization options for its vehicles to meet specific customer requirements. For example, customers can choose different colors, interiors, and accessories for their vehicles.
3. **Collaboration with international brands:** Mahindra and Mahindra have entered into partnerships with international brands such as Pininfarina and Ford to develop new products and technologies. This helps the company stay ahead of its competitors and offer innovative products to its customers.
4. **Focus on sustainability:** The company has prioritized sustainability in its product development and has launched several eco-friendly vehicles such as electric and hybrid vehicles. This helps the company appeal to environmentally conscious customers and reduce its carbon footprint.
5. **Use of digital technology:** Mahindra and Mahindra have embraced digital technology in its product development process by using tools such as 3D printing and virtual reality for prototyping and testing. This helps the company speed up the development process and reduce costs.

Tesla

The marketing mix innovation in the automobile industry on product development in Tesla can be seen through the following strategies:

1. **Product:** Tesla has consistently innovated its product offering by introducing new models such as the Tesla Model 3, Model S, and Model X. These vehicles are all electric and offer advanced features such as autopilot and over-the-air software updates.
2. **Price:** Tesla has also been innovative in its pricing strategy by offering financing options and lease programs to make its vehicles more accessible to a wider market. The company also offers trade-in programs to encourage customers to upgrade to newer models.
3. **Place:** Tesla has been innovative in its distribution strategy by opening its own branded stores and service centers, as well as partnering with other retailers to sell its vehicles. The company has also made its vehicles available for purchase online, providing customers with more convenient options for purchasing.
4. **Promotion:** Tesla has utilized social media and digital marketing to effectively promote its products and brand. The company has also used partnerships and sponsorships, such as its partnership with SpaceX, to gain exposure and increase brand awareness.

Overall, Tesla's marketing mix innovation has played a significant role in the company's success in the automobile industry and has helped to establish it as a leader in the electric vehicle market.

Hyundai

One example of marketing mix innovation in the automobile industry on product development in Hyundai is the introduction of their hybrid and electric vehicle models. In recent years, there has been a growing demand for more environmentally-friendly transportation options. Hyundai has responded to this demand by introducing a range of hybrid and electric vehicles, including the Hyundai Ioniq and Hyundai Kona Electric.

To promote these new products, Hyundai has implemented various marketing strategies. For example, they have used targeted advertising campaigns to educate consumers about the benefits of hybrid and electric vehicles, including reduced emissions and fuel costs. They have also offered attractive financing options and incentives, such as tax credits and rebates, to encourage consumers to switch to these more sustainable transportation options.

In addition, Hyundai has focused on product development and innovation to improve the performance and functionality of their hybrid and electric vehicles. This includes incorporating advanced technology such as high-capacity batteries and advanced charging systems, as well as designing vehicles with sleek and modern styling to appeal to a wider range of consumers.

Overall, Hyundai's marketing mix innovation in the automobile industry on product development has allowed them to stay ahead of changing consumer demands and remain competitive in the market.

BMW

BMW has implemented various innovations in its marketing mix to appeal to consumers and stand out in the competitive automotive industry. Some examples include:

- **Product innovation:** BMW has consistently introduced new models and features in its vehicles such as advanced technology systems, electric and hybrid powertrains, and advanced safety features.
- **Place innovation:** BMW has expanded its presence in international markets and also implemented online sales channels to make it easier for customers to purchase and service their vehicles.

- Promotion innovation: BMW has used a mix of traditional and digital marketing techniques to promote its vehicles. They have implemented virtual and augmented reality in showrooms and also used social media platforms to connect with customers.
- Price innovation: BMW has implemented flexible pricing strategies, such as leasing and financing options, to make its vehicles more accessible to a wider range of customers.
- Packaging innovation: BMW has introduced new service packages, such as subscription-based models, to provide customers with more flexibility and convenience in how they use and maintain their vehicles.

All of these innovations has helped BMW to improve its customer experience and to stand out in the market.

Mercedes-Benz

Mercedes-Benz, like BMW, has also implemented various innovations in its marketing mix to appeal to consumers and stand out in the competitive automotive industry. Some examples include:

- Product innovation: Mercedes-Benz has consistently introduced new models, features and technology in its vehicles such as advanced driver assistance systems, electric and hybrid powertrains, and advanced safety features.
- Place innovation: Mercedes-Benz has also expanded its presence in international markets and has implemented online sales channels to make it easier for customers to purchase and service their vehicles.
- Promotion innovation: Mercedes-Benz has used a mix of traditional and digital marketing techniques to promote its vehicles. They have implemented virtual and augmented reality in showrooms and also used social media platforms to connect with customers.
- Price innovation: Mercedes-Benz has implemented flexible pricing strategies, such as leasing and financing options, to make its vehicles more accessible to a wider range of customers.
- Packaging innovation: Mercedes-Benz has introduced new service packages, such as subscription-based models, to provide customers with more flexibility and convenience in how they use and maintain their vehicles.
- Personalization: Mercedes-Benz has enabled customers to personalize their car with various options, from exterior to interior and technology packages, which help to cater to the individual needs and wants of the customers.

All of these innovations have helped Mercedes-Benz to improve its customer experience and to stand out in the market, and also helped the company to maintain its position as one of the leading luxury car brands in the world.

Renault

1. Product Innovation: Renault has introduced several new models in recent years that feature cutting-edge technology and design. For example, the Renault ZOE electric car has a range of up to 245 miles on a single charge, making it one of the most efficient electric cars on the market.

2. **Price Innovation:** Renault has introduced new pricing strategies to appeal to a wider range of customers. For example, they have introduced a subscription-based pricing model for electric cars, which allows customers to pay a monthly fee for the use of the car rather than owning it outright.
3. **Promotion Innovation:** Renault has embraced digital marketing and social media to reach a wider audience. For example, they have used virtual reality technology to allow customers to experience their cars in a virtual showroom, and have also used social media influencers to promote their brand and products.
4. **Place Innovation:** Renault has opened new showrooms and service centers in key locations to make it easier for customers to access their products and services. They have also introduced online sales platforms to make it easier for customers to purchase their cars online.
5. **People Innovation:** Renault has invested in employee training and development programs to ensure that their sales and service teams are well-equipped to meet the needs of their customers. They have also introduced new customer service initiatives, such as a mobile app that allows customers to book service appointments and track their car's progress.

Ford

1. **Product Innovation:** Ford has been known for introducing new technologies in their cars such as the EcoBoost engine, which provides better fuel efficiency and lower emissions. They have also been experimenting with alternative fuel options such as electric and hybrid vehicles.
2. **Price Innovation:** Ford has been offering incentives and financing options to make their cars more affordable for customers. They have also been experimenting with subscription-based models for their vehicles, which allows customers to pay a monthly fee for access to a fleet of Ford cars.
3. **Place Innovation:** Ford has been expanding its presence in international markets and increasing its online presence to make it easier for customers to purchase and service their vehicles. They have also been investing in technology such as virtual reality showrooms to enhance the customer experience.
4. **Promotion Innovation:** Ford has been using social media and digital marketing to reach a younger audience and promote their vehicles in a more engaging way. They have also been using influencer marketing and partnerships with popular media outlets to increase brand awareness.
5. **People Innovation:** Ford has been investing in employee training and development to ensure that their employees are equipped to provide the best customer service. They have also been promoting diversity and inclusivity in their workforce to better serve a diverse customer base.
6. **Process Innovation:** Ford has been using data analytics and predictive modeling to optimize their production processes and improve efficiency. They have also been using technology such as 3D printing to speed up the prototyping process and reduce costs.

Conclusion

In conclusion, innovation plays a significant role in shaping the marketing mix strategies of the automobile industry, particularly in product decisions. The industry has seen a shift towards more fuel-efficient and eco-friendly vehicles, as well as an increase in the incorporation of advanced technology and features. Companies that prioritize innovation in their product development are better equipped to meet the

changing needs and preferences of consumers, and are more likely to be successful in the highly competitive automotive market. However, innovation must be balanced with cost and feasibility considerations, as well as an understanding of the target market's needs and preferences. Overall, innovation is a key driver of success in the automobile industry, and companies that invest in research and development and stay ahead of the curve in terms of product offerings are well positioned for long-term success.

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