

SMALL CAR, BIG PLAY

# Hyundai Aims to Become No 1 Compact Player

## The Road Ahead

1.41 million

Overall compact car market in FY13

52.85%

Compact cars' share in overall passenger vehicle market

6,84,871

Compact cars sold by Maruti Suzuki in FY13, with a market share of 48.23%

3,16,962

Hyundai's sales in FY13, with a market share of 22.32%

April to June 2013: Maruti Suzuki's market share has fallen marginally to 48.08%, whereas Hyundai has seen its share increase by 200 basis points to 24.50%

Grand i10 to take on Maruti Suzuki Swift, Eon 1 litre to take on Alto K10 and next generation i20 also in the works



Grand i10, powered by 1.1 L diesel engine, to bring in incremental sales of 6,000 to 8,000 units a month

To be launched on 4th September

### Sprucing Up the Portfolio

**Lined up**  
8-10 new products in the next 3-4 years

**Sub-4 meter**  
sedan based on BA platform planned for second half of 2014, to take on Maruti's Dzire and Honda Amaze

**Multi purpose vehicle**  
to take on Maruti Ertiga and compact SUV positioned between Ford EcoSport and Renault Duster also in the pipeline for 2015-16

**KETAN THAKKAR**

MUMBAI

Hyundai Motor India, the country's second-largest carmaker, has set a target to overtake Maruti Suzuki and take leadership position in the compact car market by the end of this decade by launching a number of vehicles.

CH Han, chief coordinator of Hyundai Motor India, confirmed to ET that the South Korean parent has asked for leadership position in India, "if not in numbers but definitely to be the most-loved brand". He declined to share any target sales or market share numbers.

The world's fifth largest carmaker will launch three compact cars in India over the next 18 months — the all new global hatchback Grand i10 with a 1.1 litre diesel engine, which will take on Maruti Suzuki Swift, Eon 1 litre to take on Alto K10 and the next generation i20 next year.

The compact small car segment constituted 52% of the overall passenger vehicle market in the country with sales of 1.41 million cars in FY13. Maruti Suzuki accounted for almost half of it with a market share of about 48%, while Hyundai was a distant runner up with 22% share.

In the first quarter of the current fiscal, however, the South Korean carmaker managed increase its market share to 25%. And it expects the new cars to push this up in the coming months. "We will continuously introduce one or two new models every year. In the small car space, we should have products in every segment, and it should be one of the best," Han said. "We are also very strong in bigger car segment already, that's why I think we have a bright future in India and we will continue to build our market share," he added.

Hyundai has lined up 8-10 launches in the next three to four years. It will drive in a sub-4 metre sedan in the second half of 2014, followed by a multi-purpose vehicle to take on Maruti's Ertiga and a compact SUV positioned between Ford EcoSport and Renault Duster in 2015-16. It's also exploring the potential to launch its flagship saloon Genesis in India.

Industry experts, however, say it won't be an easy ride to chase down Maruti Suzuki.

"Hyundai definitely will eat into Maruti Suzuki's share, but the gap is so large that it is highly unlikely that Hyundai can overtake Maruti.... Not in the next 5-7 years at least," an automobile consultant said.

"Maruti Suzuki on its part is not sitting still. The company is aggressively building its portfolio of diesel cars and bigger cars as well. The fact that Maruti has regained some lost market share in the recent past clearly underlines the strong affinity the brand enjoys today," added the person who

wished not to be named.

Puneet Gupta, associate director at market research and sales forecasting firm IHS Automotive, said Hyundai will be a strong number two in the country as it is the only multinational carmaker to have understood the Indian market well.

"They have proved multiple times, that they can introduce new products in the market and establish them as well. The future product portfolio too looks very exciting," Gupta said. "But the challenge will be on the capacity front. Unlike Maruti Suzuki which has clearly laid out capacity expansion plans, Hyundai India is very cautious on that front," he added.

Maruti Suzuki is sitting on a capacity to make almost 1.5 million cars a year and it is in the process of adding capacity for another 250,000 cars. Hyundai Motor India, in comparison, has a capacity of 650,000 units a year.

The company's senior management, however, says it can divert capacity from exports for the domestic market if need be and it is also ready to invest in additional capacity once the market bounces back. But then, Maruti Suzuki has far wider reach too with 1,200-1,300 sales points against Hyundai's around 690 showrooms. Most importantly, Maruti plans a slew of launches to hold on to its market share in India. The carmaker plans to roll out 6-7 vehicles in the next three four years, right from small cars and sedans to crossovers and utility vehicles. The first off the block will be a small car, YL7, in the first quarter of 2014, which will eventually have the company's own first 800 cc diesel engine. It will be followed by an all-new SX4 sedan, SX4 crossover and a compact SUV based on the XA Alpha concept. Apart from these, Maruti plans to launch variants of some existing models.

In the overall passenger vehicle market, Maruti Suzuki had a share of 39.12% in FY13, more than double that of Hyundai's 14.27%. In the first quarter ended June, both firms increased their market share to 40.38% and 15.67%, respectively.

Hyundai will launch the Grand i10 in India on September 4, ahead of its global launch in Frankfurt Motor Show the same month. It will be positioned between i10 and i20. Expected to be aggressively priced between ₹4.5 lakh to ₹6.5 lakh, the Grand i10 is pitted against the segment's bestseller Swift. The diesel version is expected to start at ₹5.50 lakh.

ketan.thakkar@timesgroup.com