

EXHIBIT 5: OPERATING COSTS OF DEALERSHIPS ACROSS LOCATIONS

		Location of Dealership			
		Top 20 Cities	Top 21–50 Cities	Top 51–200 Towns	Rural
Infrastructure	Land*	150	100	75	50
	Building	25	20	15	10
	Equipment	15	15	15	15
	Permissions	2	2	2	2
	Miscellaneous	10	8	6	5
Working Capital	Vehicle	80	60	40	30
	Spare parts	2.5	2	1.5	1
	Consumables	1	1	1	1
	Manpower	2	2	1.5	1
	Utility	0.5	0.5	0.5	0.5
	Miscellaneous	5	5	4	3
	Rent (Annual)*	30	22	15	8

Note: All figures in ₹ million.

*Either the land was purchased or rented.

Source: Company materials.

EXHIBIT 6: PROFILE OF EXISTING A-SEGMENT CONSUMERS IN INDIA

Segment	Avg. age in years	Monthly average household income		Avg. family size	First-time buyer	Occupation in percentage			
		Less than ₹50,000	₹50,000 – ₹75,000			Self-employed	Middle Management	Professional	Govt. employee
Entry-hatch	37	21%	63.40%	4.68	61%	51	11	14	5
Mid-hatch	36	17%	71.60%	5	59%	45	12	15	9
Premium-hatch	34	11%	77.80%	4.57	50%	55	12	14	5

Source: Company materials.

EXHIBIT 7: REASONS TO PURCHASE DIFFERENT CAR BRANDS

	Good reputation/reliability of the brand	Recommended by friends/relatives	Previous experience with the brand
Maruti Suzuki	65.6	54.6	19.2
Hyundai	54.3	46.7	12.9
Tata	48.5	39.1	13.9
Chevrolet	53.8	48.4	8.9
Fiat	57.5	52.1	12.2
Ford	63.9	53.6	5.8
Honda	61.1	54.5	14.8
Mahindra	53.5	51.7	14.5
Nissan	50.3	50.7	8.9
Skoda	60.8	49.4	7.1
Toyota	67.6	51.2	11.0
Volkswagen	64.7	49.5	8.3
Total Industry	57.1	47.8	14.9

Note: The table denotes the importance of different attributes by percentage of consumers.

Source: Company materials.

EXHIBIT 8: IMPORTANCE OF DIFFERENT PRODUCT ATTRIBUTES

Variable	Top 20 cities	Top 21-50 cities	Top 51-200 cities	Beyond 201 cities
Price	9	10	10	10
Brand	8	7	7	6
Reliability	7	8	9	10
Word of mouth	6	7	8	9
Styling	7	7	6	6
Resale	5	6	7	8
Overall cost of ownership	10	9	8	8
Fuel efficiency	7	7	8	8
Convenience	8	7	7	7
Dealer persuasion	7	8	9	10
Promotional offers	8	8	7	7
Interior space	7	8	9	10

Note: Importance scores were given in a 10-point scale where 10 was the highest score obtainable.

Source: Industry estimates compiled by case authors based on the MSIL's internal reports.

EXHIBIT 9: SALES DATA OF KEY COMPETITORS ACROSS GEOGRAPHIES (%)

Company	2008/09				2012/13			
	Top 20 cities	Top 21-50 cities	Top 51-200 cities	Beyond 201 cities	Top 20 cities	Top 21-50 cities	Top 51-200 cities	Beyond 201 cities
MSIL	48	19	28	5	42	18	28	12
Hyundai	56	20	23	1	50	19	27	4
Tata	47	21	31	1	42	20	35	3
Industry	52	20	26	2	46	19	27	8

Source: Industry estimates compiled by case authors based on the MSIL's internal reports.

EXHIBIT 10: MOTIVATION FOR A-SEGMENT CARS PURCHASED FROM MARUTI SUZUKI (%)

	First vehicle	Additional vehicle	Replacement
Entry-hatch	60.7	24.5	14.7
Mid-hatch	59.1	17.4	23.4
Premium-hatch	50.3	24.5	25.2
Total Industry	47.8	27.3	24.9

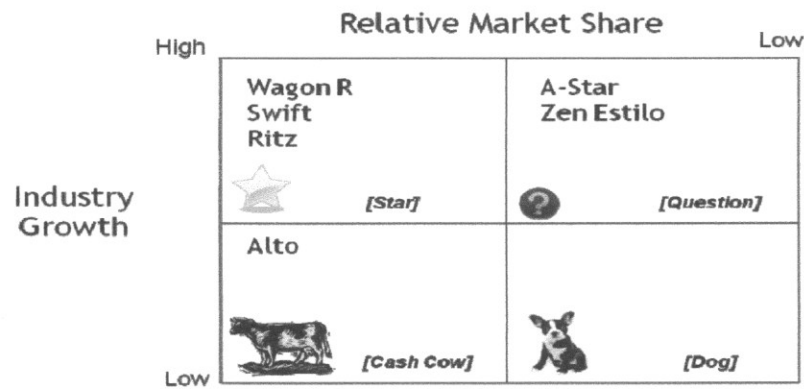
Source: Company materials.

EXHIBIT 11: SALES TRENDS FOR DIESEL AND PETROL VEHICLES

Segments	Fuel	CAGR 2007/08 to 2011/12 (%)	PROJECTED CAGR 2012/13 to 2017/18 (%)
Entry- and mid-hatch	Petrol	5	2
	Diesel	5	25
	Total	5	11
Premium-hatch	Petrol	10	-1
	Diesel	30	18
	Total	40	14
Sedan	Petrol	0	2
	Diesel	30	7
	Total	15	6
SUV/MUV	Petrol	14	6
	Diesel	13	10
	Total	13	10
Van	Petrol	13	-24
	Diesel		20
	Total	13	8
Total Cars	Petrol	6	1
	Diesel	29	15
	Total	14	10

Source: Company materials.

EXHIBIT 12: BCG MATRIX FOR MSIL



Source: Company materials.

EXHIBIT 13: THE PRODUCT DEVELOPMENT CHOICES

Segment	Value proposition	Price, target market and competitive retaliation	Strategic role of the product	Limitations of this choice
Entry-hatch	10% more fuel efficient than comparable products and value for money.	~250,000 Markets beyond top 50 cities Nissan Datsun, Tata Dolphin	MSIL's core competency; can dominate the market as the competition is less, and difficult for competition to achieve this price level.	Lower profit margins; if not successful then product would not meet its break-even objectives.
Mid-hatch	Interior space (10% more with respect to current comparable vehicles), convenience (utility features) and total cost of ownership.	~375,000 Top 100 cities Ford Small Car, Nissan Small Car	Large customer base upgrading from entry-hatch to mid-hatch; product for family still a large market.	The positioning was middle of the segment (hence not precisely defined); target market was only in limited geographies. It was not expected to have a high contribution margin.
Premium-hatch	Stylish (unique styling with respect to current vehicles available). Technologically advanced (new features). High performance (higher power).	~500,000 Top 50 cities Ford Fiesta Hatch, full model changes of current products	Can act as a differentiator; can create brand image for the company; can create new demand, potential for making another vehicle (sedan) out of this new vehicle.	High investment in providing technologically advanced features. Intense competition — many global competitors already having stylish and technologically advanced products.

Source: Compiled by case authors based on company material.