

Tata Motors steps on the gas as other automakers trail

September auto sales indicate Tata cars finding traction

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Even as most car manufacturers witnessed a decline in domestic sales in September due to high fuel and product prices, Tata Motors' performance was significant.

The passenger vehicles (PV) division of Tata Motors reported 7% growth in domestic sales as compared to the same period last year. All carmakers other than Maruti Suzuki and Toyota Kirloskar reported contraction in passenger vehicle sales in the latest period, from a year earlier.

Maruti Suzuki reported 0.7% growth in passenger vehicles sales, which included multi purpose vehicles and passenger cars. During the period, Maruti sold 1.4% less passenger cars as compared to the same period last year.

Hyundai reported a decline of 4.5%, while Mahindra sold 16% less passenger vehicles in the domestic market.

The domestic sales of Honda Motors were down 19%, while Ford Motors sold 6.4% less cars in India as compared with the same period last year. Toyota Kirloskar reported a growth of 1.43%.

The spectacular show by Tata Motors in September



clearly indicates that the company's new generation cars are now finding buyers even in difficult times. It also gives credence to the company's submission that the turnaround plan is panning out well.

The company's PV division reported domestic sales of 18,429 units compared with 17,286 units in September last year, a 7% rise.

This is the third consecutive month when sales at the passenger vehicles division grew significantly, while the industry sales shrank. "The continuous strong demand for our new generation vehicles has led to this consistent month-on-month growth," Tata Motors said.

The small hatchback Tiago continues to attract new customers with the recent introduction of Tiago NRG. Tiago sales have crossed 300 units per day. SUV Nexon has been accepted well. So

has Hexa. "Nexon AMT and Nexon KRAZ limited edition have received an overwhelming response, witnessing good traction in the market," Tata Motors said.

In a recent interaction, Mayank Pareek, president, PV Business, Tata Motors, said that the company's cars were being developed based on customer feedback rather than market research. There has been heavy emphasis on quality and high design which is leading to more sales.

Consumer preferences

"People now want superior infotainment, higher safety features even in entry level cars. So we are providing Harman infotainment systems [which are generally provided in BMW 7 series or Mercedes S class] in Tiago," he said.

The company is segmenting the customers to sell more cars. In the first five months of this financial year, the Tatas sold 37% more cars as compared with industry growth of about 9%.

"We have done something special," Mr. Pareek said.

He said since the Tata brand had some perception issues in the cities, the company started focussing on smaller towns where the brand was well accepted.