

Team HM-Mitsubishi steps up efforts to boost sales

Alka Kshirsagar
Pune, March 27

Carmaker Mitsubishi is adopting an aggressive stand in a bid to regain a foothold in the Indian market place, and a Japanese team arrives at partner Hindustan Motors' Chennai car plant almost every week against a visit once in every six months as was the case till a year or so ago.

In addition to studying the needs of the market, team HM-Mitsubishi is adopting a series of measures to build the brand and boost sales. These include re-vamping and improving the dealer network, cutting cost of spare parts, repositioning the product

portfolio and increasing the ad-spend. The company has also added production capacity and can ramp it up to 24,000 units per annum with the addition of a second paint shop.

Mr Y.V.S. Vijay Kumar, Vice-President, HM, and business head of the Chennai car plant, said, "We have undertaken a close review of our sales and service network, closed some non-performing dealerships and added new ones. In January, we had 33 dealers. By the end of this year, the number will stand at 50."

Besides, HM has cut the price of spare parts by around 35 per cent, and is increasing the money

it spends on advertising by 70 per cent, he said.

In addition to this, HM is actively looking at increasing localisation of some of its products. "The Lancer is around 65 per cent localised. We will be producing the new SUV, the Outlander, which is due for launch in August, at Chennai. To start with, this will have around five per cent local content, but we will look at pushing this up in time," Mr Vijay Kumar said.

The current installed capacity at Chennai is 12,000 units, and the company is targeting sales of 10,000 units per annum 18 months from now.