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# **'Value For Money' Is The Current Flavour Of The Industry**



We at MotorBeam are pleasantly surprised with what's happening in the Indian automotive industry of late. It seems as if the car-makers have suddenly figured out the formula to crack open our market and are hell-bent on succeeding in their attempts. Still guessing on the magic formula? It is nothing but 'Value For Money', something that we Indians love. What else would explain the killer prices at which the car makers are launching their all-new models one by one that is proving to be a shock not only for those in the industry circles but also to the general public? By doing so, they not only attract attention and increase the footfalls in their showrooms but also manage to successfully convert them into bookings and are laughing all the way to the bank. Case in point being the most recent launches from Mahindra and Honda, the XUV 500 and the Brio.

Being an Indian company, Mahindra knows the hearts and minds of Indian customers like the back of their hand. And, they proved it with their all-new global SUV, the XUV 500. Being the first ever model from Mahindra that was designed and developed to international standards with features and technology found only on cars a segment or two higher, the base variant of the XUV 500 was expected to retail atleast for around 13 lacs, going upto 15 lac rupees for the top-end version. But, when Mr. Anand Mahindra announced the ex-showroom prices that undercut the estimates by atleast a couple of lacs, the media and the public went into a frenzy. Quite deservedly, the XUV 500 has garnered a staggering 5000 bookings within the first few days of its launch in only 5 cities and the company is already quoting a waiting list of 3 months for delivery. Busy times ahead for Mahindra then, until they fulfill these initial orders!



Even Honda, the Japanese manufacturer hitherto known for charging a premium in all its models and getting away with it due to its superior brand-image, has jumped onto the 'VFM' bandwagon. Agreed, they learnt their lessons the hard way and were forced to shave off a significant amount from the ex-showroom prices after the debacle of Jazz, arguably the best premium hatchback in India that failed only due to Honda's insane pricing. Then came the price cuts for the City, Honda's perennial best-seller that lost its leadership to newer competitors that offered more value for money. Apparently, those were only the beginning. When Honda announced that the Brio's prices starts from 3.95 lac onwards, cheaper than its chief challenger the Hyundai i10 1.2, they proved that they mean serious business and are not ready to repeat their mistakes. Expect people to flock to Honda showrooms like there is no tomorrow.

All these only spell good times for the car-buying public. The cut-throat competition amongst the car-makers in gaining a bigger share of the ever-growing pie that is the Indian market is proving to be a blessing in disguise to the customers. Expectations are steadily going up and the car-makers in turn are slugging it out and trying to beat each other in living upto those expectations. Features that were once found only in entry-luxury cars are now standard fare in small cars. The companies have finally understood that Indians appreciate 'value' more than anything else and are wary of getting punished for their premium pricing strategies. Let these good times roll and the festive season for the automotive industry continue forever!

- Aravind Ramesh

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