

The background of the entire slide is a vibrant blue color filled with numerous bubbles of various sizes, creating a dynamic and textured effect. The bubbles are more densely packed in the upper half and become sparser towards the bottom.

Battery Industry

an overview

- Hari Prabhakar

Battery Statistics

- The global battery market is about US \$86 billion, of which roughly US \$50 billion is allocated to rechargeable (secondary) batteries.
- The growth is estimated at 6% annually through 2014.
- China, India, Brazil, the Czech Republic and South Korea will record some of the strongest market gains.
- The market for (Electric)Car Traction batteries will be \$37 billion by 2020

Types of Batteries

Primary (Dry Cell) Batteries

- **Alkaline:** household electronics
- **Lithium - Ion:** watches, calculators, digital cameras, notebook computers
- **Zinc Air:** hearing aids
- **Silver Oxide:** hearing aids, electronic watches, submarines, missiles, aerospace
- **Carbon-Zinc:** calculators, home security, penlight, radio toys, remote controllers

Secondary (Rechargeable) Batteries

- **Nickel Cadmium:** workhorse, chargeable upto 500 times - Calculators, Digital Cameras, Photoflash, Music player
- **Nickel Metal Hydride:** 500 recharges; but has memory problem - Cars, cameras, mobile phones, medical instruments, camcorders, electric razors
- **Rechargeable Alkaline:** 25 cycles (upto 50% capacity) - TV remote, flashlight, portable radio
- **Lead acid:** Cars, Boats, Bus, Trucks, UPS

Indian Automobile Battery

- The Indian automobile battery industry is about Rs.20,000 Crores (Organized Sector- 12,000 Crores) and Industrial battery industry (Telcom, Railways, Power & UPS) is Rs.10,000 Crores as on June 2010, with 20% growth rate
- The automobile battery market is divided into the OEM market and Replacement market.
- The OEM market (30%) is catered to by established companies like Exide, Amara Raja, AMCO.
- The Replacement market (70%) is shared equally by the unorganized and organized players, each having 50% of the market.
- Exide Turnover for FY 2009 -2010: Rs.4337 Crores
- Amara Raja Turnover for FY 2009 -2010: Rs.1670 Crores
- HBL Turnover for FY 2009 -2010: Rs.1100 Crores

Indian Automobile Battery

- OEM Market Share
Exide - 50%
Amara Raja - 26%
- Replacement Market Share
Exide - 30%
Amara Raja - 12%
- Industrial Market Share
Exide - 20%
Amara Raja - 10%
HBL - 10%



Indian Auto Industry

India is being recognized as a potential emerging auto market. Foreign players are adding to their investments in Indian auto industry.

- India is the largest 3-wheeler market in the world.
- India is the largest 2-wheeler manufacturer in the world. (10 Crores or 100 Million Bikes per year)
- India is the second largest tractor manufacturer in the world. (No. 1 is USA/John Deere)
- India is the 5th largest commercial vehicle manufacturer in the world. (Next to Japan, USA, Germany & Korea)
- The number one global motorcycle manufacturer is in India.
- India is the second largest car market in Asia - recently crossed the 1.8 million mark. (No.1 is China)



Indian Auto Sales FY 2011

Segment	Unit Sales 2010 - 11	Growth% 10 - 11	Forecast% 11 - 12
Cars	19,82,702	30	16 - 18
2-Wheelers	1,17,90,305	26	12 - 14
Comm. Vehicles	6,76,408	27	14 - 16
3-Wheelers	5,26,022	19	9 - 11
Industry	1,55,13,156	26	12 - 15

CBL Situation (SWOT) Analysis

Strengths

Since 1977
Strong in Industrial Battery & OEM
Prestigious Clients like Defense,
Railways, Exports etc.
Technical expertise

Weaknesses

CBL Name literally unknown to masses
No Brand Identity/ PULL Strategy
Absence in the Automotive sector
Product design not attractive
Poor Market Reach

Opportunities

New Urban Markets in India
Blue Ocean Products (like portable
mobile phone rechargers)
Marine & Windmill batteries
Electric Scooters and Cars
Export of Automotive batteries

Threats

Strong competition
Entry of MNC brands
Entry of **TATA-Green Batteries**
Strong branding by *Sonic* and
Luminous

Competition Analysis

Marketing Mix Analysis

Exide

Amaron

AMCO

Product: quality, value chain, benefits:

Target Segment: who, where, when, why:

Place: distribution method and coverage:

Promotion: cost and method:

Advertising: strategy, media, timing, cost:

Price: retail, trade:

Competition Analysis

Critical Factors Comparison

Critical Factors

Exide

Amaron

AMCO

3)Hot designs

4)TV Ad campaign

5)Internet Hype

6)Trained Sales force

7)Liberal RETURN policy

8)Distribution strength (Reach)

9)Product range

(1= Low, 5=High)

Competition Analysis

What Now?

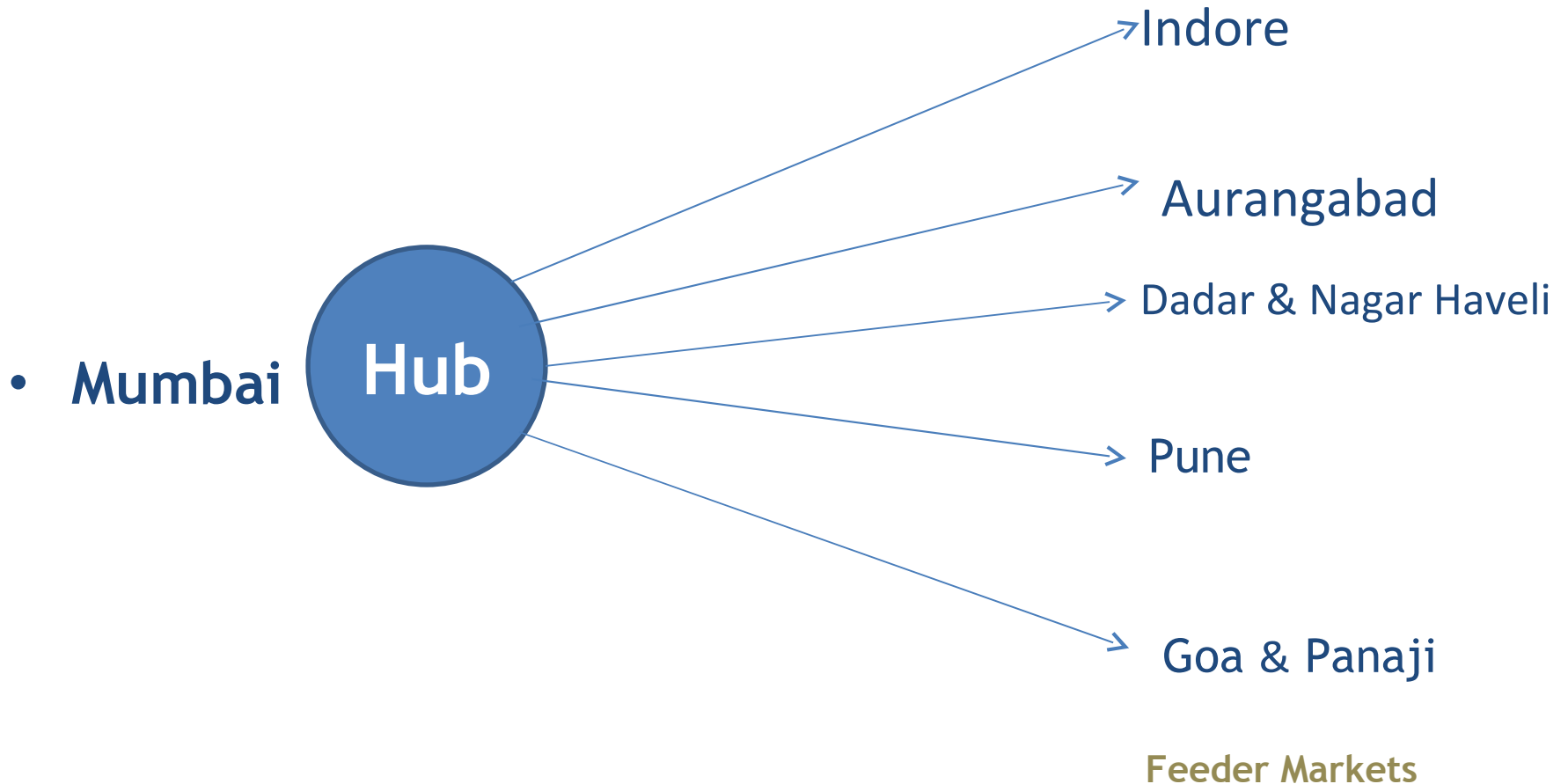
- What will be competitors' strategies?
 1. Continue as is
 2. Change due to
 - Changes in marketplace
 - Changes in management
 - Changes in financial goals
- How to determine new direction?
 - Management judgment
 - Simulation
- What will be competitors' reaction to our strategy?



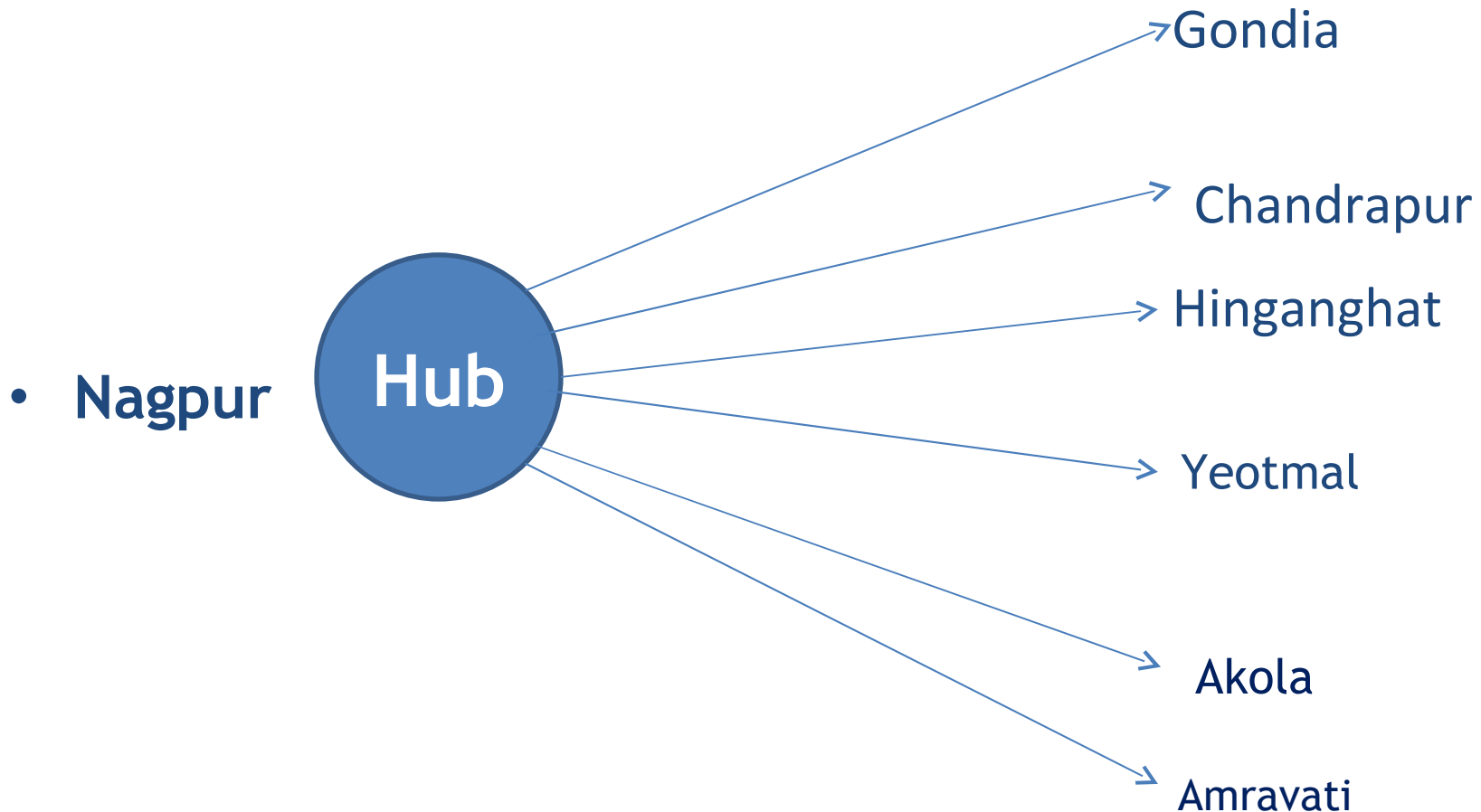
Strategic Plan

- ✓ Have a professional written Marketing Plan in tandem with Corporate objectives
- ✓ Start a **Brand building exercise** thro' TV ad campaign and support promotional activities
- ✓ Build an aggressive Field sales force
- ✓ Adopt a structured Supply Chain Model like the '*Hub n Spoke*' model of Gillette
- ✓ Plan **Dealer schemes** and **Consumer schemes** for every peak sale-season
- ✓ How does your Dealer *communicate* with the End User? Are you happy?

Hub and Spoke (Distribution Model)



Hub and Spoke (Distribution Model)



Hub and Spoke

- Advantages

- The small number of routes generally leads to more efficient use of transportation resources.
- Complicated operations, such as package sorting and accounting, can be carried out at the hub, rather than at every node.
- Spokes are simple, and new ones can be created easily.
- Customers (Dealers) may find the network more intuitive. Scheduling is convenient for them since there are few routes, with frequent service.



Promotion

- Strong and sustained TV and Radio advertisements all through to build a strong Brand Identity fast!
- Aim for **CBL brand** to have high recognition rate
- Massive influence, recall and salience—reminder advertising
- Successful Product launch campaigns
- Focus on brand values, innovation and cutting edge technology
- AIM to educate dealer & consumer on product advancements and improved battery performance
- Focus on improving **Dealer's communication style** at all times

Promotion

The AIDA MODEL

- **ATTENTION** - BY ADVERTISEMENT
- **INTEREST** - BY FEATURES (& BENEFITS)
- **DESIRE** - ADMIRATION BY PEERS (BRAND IMAGE)
- **ACTION** - PURCHASING

Why Branding ?

- **Branding** is the name of a thoroughly planned marketing strategy, where you choose your strongest point and foster your marketing plan around your strongest features, while adding new features with the passage of time.
- A brand name is what a consumer will instantly recognise and for some products it also suggests what the product does.
- **A brand generates familiarity and trust and hence leads to greater sales.**
- In today's competitive and crowded marketplace, **branding offers a particular value** to consumers.
- Through branding, consumers form some kind of attitudes and feelings towards the product. This in turn creates brand loyalty towards the brand by the buyer.

Why Branding ?

- Because of the trust the brand generated, you can charge extra price and people are willing to pay for that.
- Creating a brand is nothing but creating a strong association. And this association clearly differentiates your product from the rest.
- Strong brands can lead to financial advantages through the concept of Brand Equity in which the brand itself becomes valuable.
- **Any Company that has been successful for more than 10 years, has the social responsibility of informing *consumers* about its quality products and benefits, providing them the “*right to choose*” from a wide range of *cluttered products*, through mass communication programs.**

New Markets

OPPORTUNITIES

- **Marine, Sub Marine, Aerospace batteries**
- **Electric Vehicle Batteries**
- **Portable Cordless Mobile Phone Chargers**
- **OEM – Automotive Segment**
- **Electronic Surveillance Products/ Sensor Gate**

Blue Ocean Strategy

Taking the Production & Design Team out to the Field and getting them to take a look around the “emerging market trends” will result in:

- ✓ Finding a whole different set of issues between your *customers* and *nonusers* among customers
- ✓ **Speed to (cater) market (demands)**
- ✓ Innovative ideas about mobile power solutions
- ✓ **Staying on top of the battery power industry—what is happening that could help them?**
- ✓ **Teaching them about rechargeable power.**
- ✓ Giving them a competitive edge.
- ✓ ***Longer, stronger, lighter power solutions.***

Blue Ocean Strategy

Eliminate

- Focus on only Industrial Batteries
- Acting like an Order Taker

Reduce

- Concerns with pricing
- Concerns with reactive customer service
- Focus on Vertical Integration

Raise

- Integrated Power Solutions
- Speed & Reach
- Competitive Advantage
- Technical Advantage
- Proactive Leadership and Consulting services

Create

- Charger capabilities
- Sales Leadership
- Innovation
- Branding

Advantages of TV Advertising

- Instant credibility for the product
- Creativity and impact
- Vast Coverage in shortest time
- Captivity and attention (reaches viewers when they are most attentive)
- Builds TRUST and familiarity
- Selectivity and flexibility

Advantages of Radio Advertising

- Cost and efficiency
 - Selectivity
 - Flexibility
 - Mental Imagery
 - Integrated marketing opportunities
- ✓ **People buy from people and businesses they know and trust.** Hearing your radio jingle helps them feel as if they know you.

Unilever's Success Mantra

- Serve the consumer better, says FMCG major's Chief Executive Officer **Paul Polman**.
- "Every day I wake up, I look in the mirror, I think about how I can better serve the consumer. If we do that, we will be successful in the long-term. That's the principle we operate in."
- He further says, "I have never seen a consumer who buys our products because they like our strategy. **They buy our products because we are at the right price, at the right time, and at the right place.**"