

---

# The Korean Economy

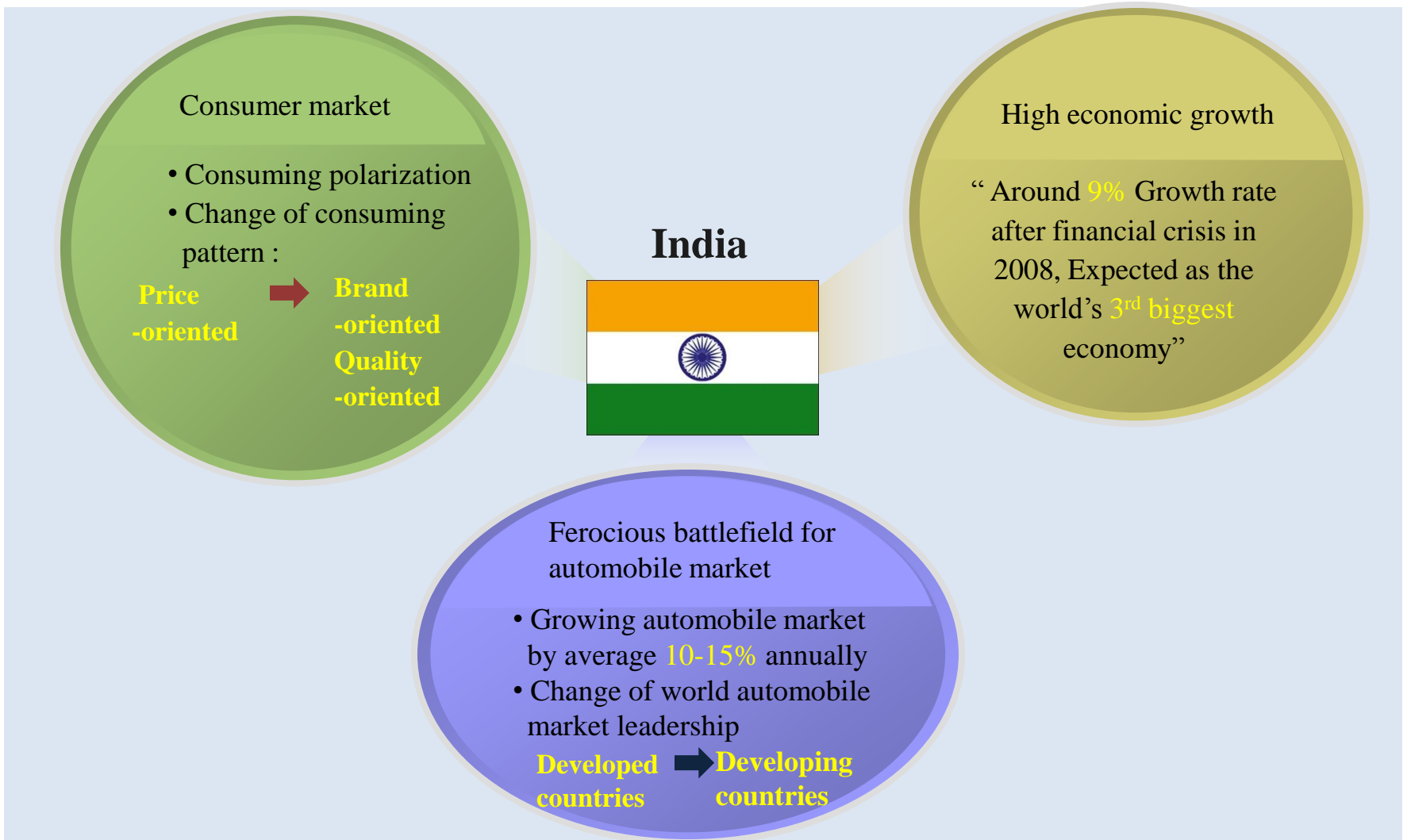
Case: Hyundai Motors India Ltd.  
Case: Samsung Electronics in Malaysia



Korea University  
Prof. Mannsoo Shin

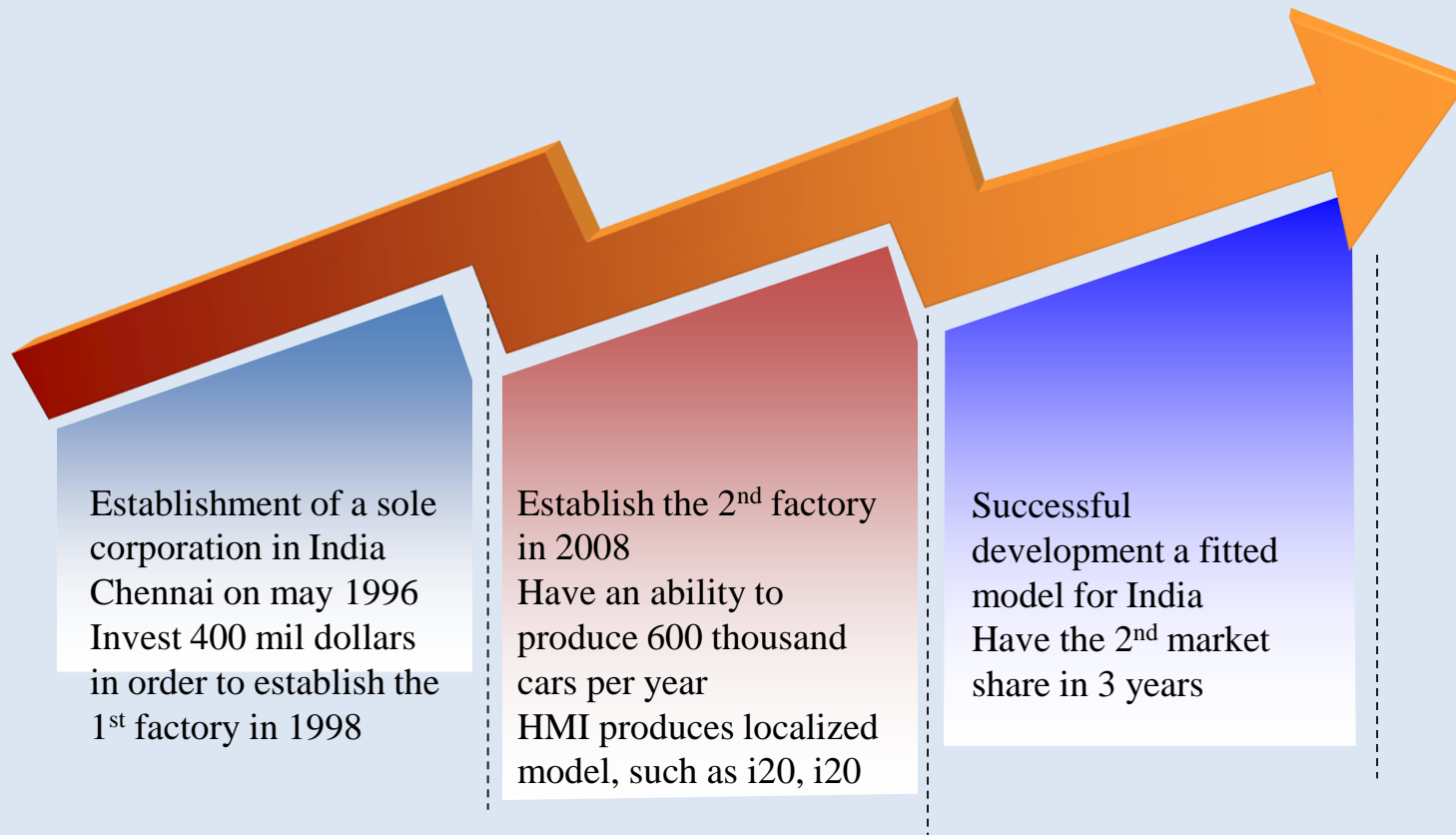
# Characteristics of Indian market

## Indian automobile market



# Performance in India Chennai

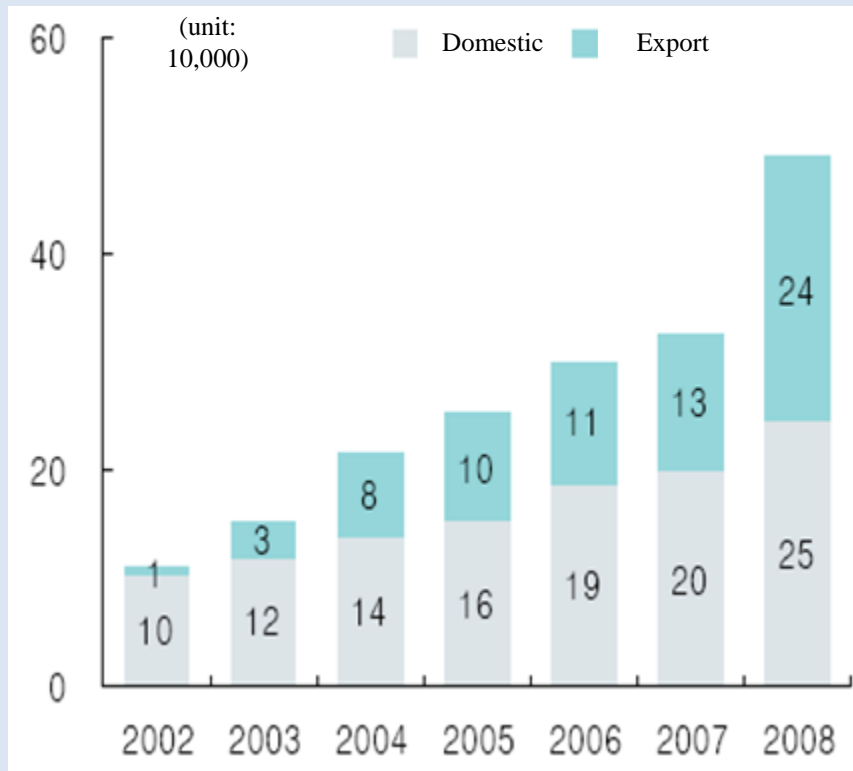
## HMI performance



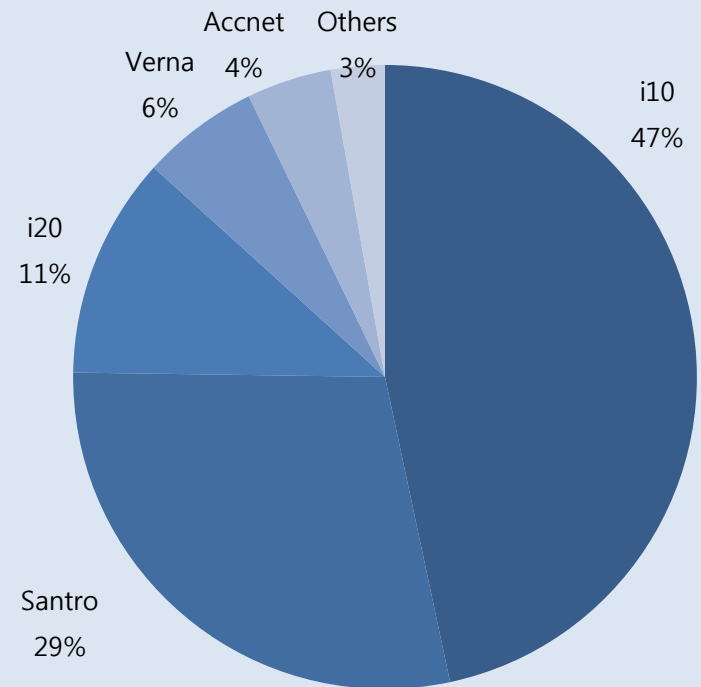
# Financial performance of HMI

## HMI performance

**Progress of domestic and export demand in Hyundai factory in India**



**Domestic sales percentage per automobiles**



\* Accumulated sales on October 2009

# HMI products

## HMI automobiles



Santro Xing



i10



i20



Accent



Verna



Sonata



Santa Fe

# Capability and strategy of HMI

---

## Capability and strategy

### (1) Dynamic capability of Hyundai Motors India

- Quality control ability
  - Quality control first
  - Entering into the market accompanied with subcontractors
  - Quality improvement through localized product development
  - Conducting standardized job processes
  - Investment in employee training

### (2) Localization of Hyundai Motors India

- Localization of strategic decision making
- Building and exploiting the local knowledge pool
- Development of local human resources
- Localization of R&D
- Localization of products

# Marketing strategy of HMI and Success factors

## Marketing strategy

- **Adapted to Indian automobile environment marketing**
  - Considering Indian driving habits (Indians usually drive at mid- or low speed on the short distance): Power train
  - Highly overloaded car and low rate of paved road: Reinforcement for suspension
  - Low quality of automobile fuel: Taking Road-test, development India fitted engine
  - Considering hot, humid weather: Reinforcement for cooling and air-conditioning function of engine
  - Drainage problem on the road: Reinforcement for waterproof function
  - Frequent problematic situation: Reinforcement for Horn and Break
  
- **Localized marketing strategy**
  - Promotion program : Automobile exhibit, promotion for sports marketing, and protection of environment
  - Local production for components: HMI supported their home-country subcontractors to enter in India market

# Marketing strategy of HMI and Success factors

## Marketing strategy

- **Introduce localized automobile model**
  - Strong, economic, and high quality of internally designed car
  - Cars with price advantage, quality advantage
  - HMI achieved success by entering into India market with localized automobile models
  - Above success was based on the thorough analysis before producing a new model
  
- **Advantage at price, A/S, service, quality**
  - Higher quality given price than others
  - Under the superior technology, reinforcement for airbag and backward camera for safe, and convenient parking
  - Reinforced conveniences with broad space, reasonable prices satisfy Indian customers
  - HMI operates 700 service maintenance units with proper A/S



# Promotion strategy of HMI

---

## Promotion strategy

- Image making: contribute to India economy and society as export leading company
- Participation in the earthquake related, Pakistan war related donation activities
- Emphasis on the good quality adapting high technology (e.g. MPI engine)
- Participation various motor shows in India
- Modern family rally, Driving contest, Cultural marketing (Korea traditional performances)

# Promotion strategy of HMI

## Sports marketing

- Cricket is popular in India
- Contract official automobile sponsorship for Cricket World cup in 2011 and 2015
- Increase brand image through sports marketing



# Advertising strategy of HMI

---

## Advertising strategy

- Main channels for gaining automobile information are Family member/Friends/News Paper/ TV Ad / Internet / Salesman
- HMI invested intensively in initial advertisement as it enter into the market from the start HMI
- Using various media, such as TV, newspaper, outdoor-advertisement to advertise HMI since April 1998
- Advertise products consecutively since September 1998
- Hire top Indian movie star ‘Shahrukh Khan’ to emphasize reliability
- The most important one was ‘TV commercial’
- Make TV commercials which can arise customers’ interest
- Brand perception has been increased by 50% after the initial commercial

# Advertisement of HMI

SMOOTH. SUAVE. SURE.

# THE Uber Cool IS HERE.

UBER SAFE WITH 6 AIRBAGS

UBER LUXURIOUS

Smitten by the looks? The all new Hyundai i20 has more of what you've always craved for. Its pioneering safety features with 6 airbags, ABS with EBD and seat belt pretensioners, make for a carefree drive. Its captivating interiors fill your senses while the dynamic performance and incredible maneuverability will simply take your breath away. An absolute delight, the Uber Cool i20 is truly happening.

Automatic temperature control • 2 DIN MP3 player with 6 speakers • Steering - mounted audio controls • Electrically adjustable and folding outside rear view mirrors • Folding key with keyless entry function • Multi - information display • Euro V ready

THE NEW  
**i20**  
i GOT IT ALL

Drive your way™

**HYUNDAI** www.hyundai.co.in

1-800-11-4645  
ALWAYS ALL THE WAY  
**HYUNDAI**  
098-7356-4643

For a test drive, SMS 'UBERCOOL' to 5667775. Features and specifications as shown may not be part of standard fitment and are subject to change without prior notice.

MANUFACTURING UNIT AND REGISTERED OFFICE: SRIPERUMBUDUR TALUK, TAMIL NADU-602105. PH: 91-44-47100000, 27156111. MARKETING AND SALES HEAD OFFICE: NEW DELHI-110044. PH: 91-11-41678800, 41599853-59. REGIONAL OFFICES: CENTRAL: NEW DELHI-110044. PH: 91-11-66241100. NORTH: CHANDIGARH. PH: 0172-6605000. SOUTH: CHENNAI-600032. PH: 91-44-42204600, 9940174287. WEST: MUMBAI-400069. PH: 91-22-40969000. EAST: KOLKATA-700091. PH: 91-33-40060045, 40060049.

INNOCEAN-007/08

# Samsung Electronics in Malaysia

## Samsung Electronics

- Samsung considered entering into Malaysia market in late 1980s due to inflation of wages
- Samsung Electronics was looking for proper location, and establish subsidiary in industry complex at Seremban Malaysia
- Samsung Electronics has 2 production subsidiaries, 3 sales subsidiaries in Malaysia at the moment
- Samsung SDI produced TV braun-tubes, computer monitor braun-tubes
- Samsung Conning produced glasses for braun tubes
- Samsung Electronics produced TV and computer monitor
- Added value from Samsung complex at Seremban comprises around 3% of total Malaysia GDP



# Samsung Electronics in Malaysia

## Products



Television



Audio



Camera/  
Camcorder



Home  
Appliances



Mobile devices



PC/peripherals & printer



# Success factors for Samsung Electronics in Malaysia

## Success factors

- (1) Making the most of synergy effects
  - Connecting Samsung Electronics, SDI and Conning
  - Co-manage each organizations in terms of labor, supply and procurement within the industry complex
- (2) The biggest world brau-tube making base
  - Samsung SDI produces 14million brown-tubes per year in Malaysia complex
  - It is easy to receive their support timely with both quantity and quality
- (3) Realized profits from the first year
  - 1200million of initial investment has been collected in 3~4years
  - The Malaysia complex paved the way for further worldwide growth
- (4) Efficient management of local employees
  - Localized, stable labor-management relations, CSR
  - Establish large-size employee apartment, provide free meal and housing

# Current issues for Samsung Electronics in Malaysia

## Current issues

- Samsung Electronics was awarded for **HUMAN RESOURCE MINISTRY AWARD** from Malaysian government in 2007
- Opportunities for increasing brand image
  
- Samsung Electronics contracted to YTL telecommunications to provide Wibro exclusively in the whole Malaysia
- Samsung Electronics provide Wibro related equipments and applications





---

KOREA



Q&A