

Launching small cars: where are the markets?



We want to launch a new small car. We need to identify potential markets beyond metros.

DATA REQUIRED FROM THE GUIDE

- Market Intensity Index MII - Volume I
- Market Potential Value MPV - Volume I
- Contribution from Means to MPV - Volume I
- Contribution from proportion of affluent households to MPV - Volume I
- Road density

SOLUTION

As the situation under consideration is the launch of a small car, variables such as ability to purchase or the Means and its constituents, quality of the market (MII), the total aggregate potential (MPV) and the road density are important to identify key small markets. These variables are taken from Volume I, assuming that the distribution will be able to handle both urban and rural demand.

As an illustration, table below indicates select districts with similar MPV spread across few states.

State	District	MII	MPV	Contribution from		Road density	Analysis
				Means to MPV	Aff. Pop. % to Means		
		1	2	3	4	5	6 = (1*2*3*4*5)÷10,000
Kerala	Alappuzha	138.36	67.30	18.28	12.97	1.8	399.74
Gujarat	Bhavnagar	116.14	66.26	22.20	18.49	0.7	206.88
Maharashtra	Amravati	113.74	68.48	22.47	16.25	0.5	137.63
Uttar Pradesh	Moradabad	79.48	68.85	25.91	11.77	0.7	115.49
Uttar Pradesh	Bareilly	81.86	68.06	24.65	11.66	0.7	110.84
Chhattisgarh	Durg	102.65	66.45	20.28	14.08	0.2	35.26
Assam	Kamrup	113.12	65.73	13.79	5.5	0.2	9.25

Column 6 combines five variables and gives a good indication of areas of focus.

RESULT

From among the short-listed districts with similar aggregate potential, districts of Alappuzha, Bhavnagar and Amravati offer a better opportunity and can be explored.