



Ford Ikon: The Josh Machine (A)

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On his flight to New Delhi in June 1999, John Fink, Vice President of Marketing and Sales for Ford, India reflected upon his company's prospects in the Indian market. Ford had entered the Indian market in 1996 with the Escort – one of the best selling cars in Europe. Although the Escort had allowed Ford to establish a distribution channel and increase its name recognition with customers, the fact remained that the Escort's sales had been lackluster. In spite of its heritage as a best-selling car in Europe, the Escort had not done nearly as well in India. Ford had gone back to the drawing board and come up with a car designed specifically for the Indian market. Selecting the appropriate targeting and positioning strategy for the launch were crucial to the success of the new product. As the plane began its final descent toward Delhi airport, Fink looked over the results of the psychographic segmentation study of the car market one more time knowing that he would have to make his decision before the end of the week.

Background

In 1991, the Indian government, led by Prime Minister P. V. Narsimha Rao and Finance Minister Manmohan Singh, started a series of economic reforms and opened up the Indian market to foreign companies. At the time, India, with a population of 820 million people was an attractive market for most multi-national corporations (MNCs). Although the per-capita GNP was only \$320 the country had an estimated middle class of 75 to 150 million people.¹ Across the board, domestic competitors were generally perceived to be weak and not used to intense competition.² As the Indian economy opened, a number of MNCs, ranging from Coca-Cola and Kellogg to IBM, General Electric and Daewoo proposed ventures to enter India.

Until 1980, the automobile market in India was made up of two cars, each offered by a different firm: Hindustan Motors sold a four door sedan, the Ambassador, and Premier Automobiles had its own four-door sedan, the Padmini. Neither had changed its technology significantly in several decades. For example, the Ambassador was based on the 1954 Morris Oxford, while the Padmini was based on a 1960 Fiat 1100. In the 1970s, the late Sanjay Gandhi, son of the then Prime Minister, Indira Gandhi, started a small car company called Maruti Udyog Limited. The goal behind this project was to design and build an indigenous, small, fuel efficient and affordable car. However, the product fell well below expectations and in 1981, the Government of India acquired the company. At that point, they abandoned the idea of developing the car in-house and began a partnership with Suzuki of Japan. The first car to emerge from this project was the Maruti 850 in 1984. Priced at \$4,000 and sporting a fuel-injected three-cylinder engine, the 850 was an instant success. Within two years of entering the market, the Maruti 850 had the highest market share in the passenger market.

¹ Because of a huge parallel economy, macroeconomic data such as GNP typically underestimated the size of the Indian economy.

² "India Crawls into the Auto Age" *Ward's Auto World* (3/1/1991)

After the government opened the market in 1991, foreign competitors quickly moved into the Indian market. Among the new entrants were Daewoo and Hyundai from South Korea. These two companies targeted the low end of the market, directly competing with Maruti. Other new entrants included Peugeot, General Motors, Mercedes Benz, Hyundai, Fiat, and Volvo, catering more to the higher end of the market.

Indian Auto Market in 1999

Although the first car on the Indian roads was imported in 1898, and domestic production of cars goes back to 1947, the Indian auto market took off after the introduction of Maruti. During the 1990s, the auto market grew substantially as Indian economy grew, and some middle class consumers grew out of scooters into small cars. India still remained perhaps the largest market for scooters and other two-wheelers. According to one estimate, in 1995 two-wheelers outnumbered cars by 24 million to 3.5 million. In 1998-99, the total production of two-wheelers in India was about 3.38 million units. In any Indian city, it was common to see bicycles, mopeds, scooters, motorcycles, auto-rickshaws, cars, buses and trucks all sharing often narrow roads.

Although the Indian government neglected to develop a modern infrastructure of roads, the total length of roads in India was 3 million KM, consisting of about 34,600 KM of national highways and about 128,000 KM of state highways. However, the road development had not kept pace with the growth in vehicle population. According to a study by the National Highway Authority of India, the vehicle population had increased 100 fold while the road length had increased seven-fold. Narrow and congested roads often resulted in traffic moving very slowly. To compound this problem, the annual monsoon rains created havoc by flooding roads and bridges, creating large potholes on roads and making car rides especially uncomfortable. The poor condition of highways had led to a low level of intercity traffic, as opposed to intracity traffic. For travel between cities, consumers tended to rely on a vast and highly developed railway network.

An important aspect of the Indian market in 1996 was that consumers generally did not finance their purchases, preferring instead to pay cash. This applied to purchases of homes as well as cars and other consumer white goods. Part of the reason for this was the mentality among most consumers that viewed loans as a sign of financial weakness. However, there were indications that this thinking was beginning to change – foreign banks, led by Citibank and Grindlays, had begun marketing loans to consumers to enable them to buy homes and other durables. This had led to an acceleration of consumer purchases. For example, a young college graduate could now buy a motor cycle with a loan and not have to wait two years to save for the entire payment of the machine.

In 1999, almost all the major automakers of the world had a presence in the Indian market. The full range of passenger cars and vans in 1999 is given in Exhibit 1. Most of the models offered were in the Rs. 200,000-Rs. 425,000 range, and in the price category of Rs. 550,000 and above.³ However, there were few entries in the intermediate price range. The

³ All monetary amounts are nominal (not inflation adjusted)

Indian passenger cars could also be divided into three segments by size: class "A" cars were the smallest cars such as Maruti 800; class "B" cars were subcompact 4-door sedans such as Maruti Zen and Daewoo Matiz and class "C" cars were compact/midsize cars such as Maruti Esteem, and General Motors' Opel Astra.⁴ Compared to the U.S. market, most of these cars were in the subcompact and compact category. This preference toward smaller cars was also influenced by the high cost of gasoline. Because the price of diesel was significantly lower than that of gasoline, many cars were sold in both diesel and petrol (gasoline) versions.

Exhibits 2A-C give the overall production, sales and export trends for the Indian auto market in the late 1990s. In 1995, the first wave of major auto companies began selling their cars in India with expectations that later proved to be very optimistic. For example, Daewoo India set a target of 72,000 units for its Cielo; however, in 1995-96, Cielo sold about 17,000 cars. On the other hand, car sales increased at a rapid rate as more lower-end cars were introduced in the market. In 1998, however, the overall auto market declined and the total number of compact/midsize cars sold was 42,260, a decline from the previous years level of more than 51,500 units. Estimates for the next year, generally forecasted an increase – Ford India Limited expected the compact/midsize market to be about 45,000 units, growing an additional 10,000-15,000 units in 2000; Hyundai expected this market to be about 46,000 in 1999 and 55,000 in 2000; GM expected the market to be 65,000-70,000 units in the year 2000.⁵ Although most automakers expected an annual growth rate of 10% in this segment, some outside industry observers thought the market would not grow much. Some outside experts also thought that lowering of excise duty, which was 40% in 1999, could help grow this market. As Ford and Hyundai prepared for new car launches in the midsize segment, there was additional uncertainty about how increased competition would affect this segment. At the upper end of the small car segment (the "Zen segment"), new entrants had succeeded in expanding sales for the entire segment. For example, Hyundai's introduction of the Santro, increased sales of both, the Santro and its competitor, the Maruti Zen.⁶

Major Players in the Indian Car Market

Daewoo Motors: Part of the Korean Daewoo group, Daewoo motors entered India in 1995 with the Cielo. It had since introduced Matiz and Nexia. Daewoo has had a mixed record in India. Although their sales have increased over time, some industry observers thought that Daewoo's price cuts created perceptions of lower quality.

Ford: Ford's first venture in India was setup in 1926 and discontinued in 1954. Later, Ford re-entered the market to produce tractors with Escorts, Limited from 1969 to 1991. In 1995, Ford created a new 50:50 joint venture, Mahindra Ford India Limited, with Mahindra and Mahindra, a manufacturer of SUVs based on the WWII Willys Jeep. Ford's first entry in the Indian market was the Escort, launched in 1997. The Escort won several awards including

⁴ Although the Indian press refers to them as midsize, most of these models would be classified as compact/subcompact in the U.S. market.

⁵ "The Median Path," *The Economic Times* (10/19/1999), "Car Wars," *The Times of India* (10/20/1999), "GM launches Opel Corsa in Lower End of Mid-size Slot," *The Times of India* (11/14/1999).

⁶ "The Median Path," *The Times of India* (10/19/1999)

the first finish in both JD Power Initial Quality Survey and JD Power's Customer Satisfaction Index in 1997. Later, Ford increased its stake in the venture to 84% and changed the name of the company to Ford India Limited. Ford also set up a new modern plant near Chennai in Southern India at a cost of Rs. 1.7 billion. The plant had a capacity to produce 50,000 units. The capacity could be expanded to 100,000 units with additional investment.

General Motors: GM first entered India in 1928 and assembled Chevrolets. It remained in India until 1954 assembling a number of trucks and buses. In 1994, GM reentered India and set up a plant in Halol at a cost of Rs. 300 Crores (about 100 million USD). The GM India venture was setup in collaboration with the CK Birla group, one of the leading industrial groups in India. GM's main entry in the Indian market was the Astra, which was Opel's best selling model in Europe. Under the Opel brand name, GM emphasized German engineering in promoting its cars.

Hindustan Motors: The first Indian car manufacturer, Hindustan Motors was known for its simple, archaic Ambassador car, which was the mainstay of the Indian market until 1980s. Threatened by the inroads made by Maruti, Hindustan Motors introduced several new cars in its lineup. In 1990, it introduced the Contessa, a midsize four-door sedan based on a model developed by Isuzu, and in 1998, it introduced the Mitsubishi Lancer. One of the strengths of the company was its large dealer network of 115 dealers.

Honda Siel: The Indian subsidiary of Honda was created as a joint venture with Siel Limited in 1995. It started production of Honda City in December 1997 with an initial production capacity of 30,000 units. Honda City was available in several APAC countries.

Huyndai Motors: Huyndai, another Korean multinational, entered India in 1996, and setup a plant in Chennai with a capacity to produce 120,000 cars annually. It had ambitious plans to add more capacity. Huyndai's sole entry was the Santro, a small car. Santro was fairly successful in the small car segment. Huyndai planned to introduce a midsize car, Accent, in the November 1999.

Maruti Udyog Limited: Maruti was the largest Indian car company owned jointly by the Indian government and Suzuki Motors of Japan. Maruti ushered in the new phase of the Indian auto market in 1983, and captured a near monopoly. In recent years, it had seen its market share decline as more companies entered the market. The relationship between the Indian Government and Suzuki had been strained in recent times and as a result, the company had not introduced any new models in last few years. In spite of that, Maruti had the longest product line covering almost all segments of the market. The company believed that having a long product line was a key competitive weapon.

Premier Automobiles/Fiat: Premier Automobiles, the second of the two old line domestic manufacturers, produced the Padmini, derived from an old Fiat 1100 model. Padmini, still popularly known in India as a Fiat, was very popular as a taxi model in Mumbai and other parts of the country. In 1996, Fiat and Premier joined hands again to set up a new joint venture, with Fiat retaining 51% ownership. Fiat's entries in India were the UNO and the Sienna, both based on world car projects at Fiat.

TELCO: Part of the Tata group of companies, Tata Engineering and Locomotive Company produced a wide range of engineering products, including a full range of trucks. It had a very extensive network of service stations throughout the country. Telco launched an indigenous small car, Indica, in December 1998. Indica was running behind Hyundai's Santro but did better than Daewoo Matiz and Fiat Uno.

Ford's Entry Into India

In the mid-1990s, Ford Motor Company wanted to achieve a 10% share of the Asian market by the end of the century. At the time, Ford's market share in Asia was estimated around 1-2%, much smaller in comparison to its global market share of about 13%. Alex Trotman, the then chairman of Ford, believed that India was a key part of Ford's growth plans. In a press conference in New Delhi, Trotman said, "India plays an important role in our plans for global growth. With a knowledgeable and expanding automotive consumer base in India, we expect great things from our joint venture--Mahindra Ford India Limited."⁷

In 1996, Ford's original plan was to enter the market with two best-selling European cars: Ford Escort and Ford Fiesta. Ford was the largest selling brand in Europe and Escort and Fiesta were the two of the five largest selling vehicles in Europe. Ford Escort was to be launched in the third quarter of 1996, to be followed by Ford Fiesta in 1998. The Escort was to be built in a plant near Nasik in the state of Maharashtra with an initial capacity of 25,000 units. During the initial phase of introducing the Escort, Ford wanted to develop a presence in the market, learn about Indian consumers, develop the supply infrastructure and establish a distribution network.

In preparing for the launch of Ford Escort, Ford built a network of 12 dealerships in seven cities. Owning a Ford dealership proved to be very popular – Ford chose the 12 dealers from about 1,600 applicants. All dealers were required to provide stand-alone, exclusive Ford sales and service facilities. The number of dealerships was to grow to 21 by the end of 1997 and to 50 before the Fiesta was launched. Ford customized the European version of Escort for Indian conditions. The car's shock absorbers and springs were modified, and its suspension was lifted by about 2.5 cms. Slight body changes were made based on Ford's experiences in Brazil. The engine's compression ratio was changed to improve fuel economy. Ford also installed a completely new horn system for the car. The first Ford Escort was launched by Alex Trotman and the joint venture partner, Keshub Mahindra, on August 26, 2001 by taking the Chief Minister of the state of Maharashtra, Manohar Joshi, for an inaugural ride. Escort was launched in a petrol and a diesel version. Exhibit 3 gives the specifications of one of the Escort models.⁸

⁷ "Ford and Mahindra Chairmen Outline Aggressive Plans for India," *PR Newswire* (02/21/1996), "Ford Chairman Says India Venture is Key to Asian Growth Strategy," *AP-Dow Jones News Service* (02/22/1996), "Ford Invests for 10% Asian Share Stakes Planned in Several Nations," *The Nation* (04/26/1996).

⁸ "The Escort Test Drive: Business Today Checks Out the Made-in-India Ford Escort for You," *Business Today* (10/22/1996).

The Ford Escort was positioned as a classy, sophisticated winner, specially crafted for India by a global leader. Its main competitors were GM's Opel Astra and Daewoo Cielo. The Opel Astra emphasized its German engineering and offered a more powerful engine, and was priced at a small premium over Escort. The Cielo, based on an older Daewoo platform was positioned more as a mid-size value than a performance-oriented car. It was priced lower than the Escort. Although Ford Escort won several awards, its reception in the market place was a mixed bag. In the first year after launching the Escort, Ford sold only about 7,000 units. Although the car sales grew by about 5% that year, most consumers were buying small cars priced near USD 6,000 mark (1997 prices). Ford Escort and other bigger cars sold for about USD 15,000. As Ford continued marketing the Escort, it was also working to launch its second car, to be based on the Ford Fiesta.

Ford Ikon

Based on its experience with the Escort, Ford decided that its second car in India would be developed specially with the Indian market in mind. As per original plans, the car, code-named C195, would be based on a modified Ford Fiesta platform. Ford Fiesta was a hatchback whereas the new car was going to be a four-door sedan with a three-box design (one box each for engine, passenger cabin and the trunk). The car was to have the new-edge styling of Ford that had also been adopted for the Ford Focus in the U.S.

On May 26, 1999, Ford announced the name "Ikon" in a special naming ceremony. In a taped address, Ford president and CEO, Jacques Nasser said, "Now I know in India, the naming of a child is a special time for the entire family. And the Ford family takes the naming of cars and trucks as seriously." Nasser announced that Ikon was "a vehicle built in India, by India and for Indians." The company announced that it would be available in both gasoline (petrol) and diesel versions. The car was to have 70% local content.⁹ The company was also planning to export the car to South Africa and Mexico within 18 months of launch. However, this plan was initially announced to the general public.

John Fink, Vice President, Marketing and Sales for Ford India Limited, was contemplating a number of decisions for the new car. Chief among them were selecting a target market segment for Ikon, developing positioning for the car and preparing the communication plan for Ikon's launch. He believed that the diverse Indian market could not be understood by demographics alone. As a result, he commissioned Ford's advertising agency, Hindustan Thompson Associates (HTA) to do a psychographic segmentation. The six segments and their relative sizes that resulted from HTA's analysis are highlighted below

- *Full of Life* (20%): This segment is made up of young, trendy consumers in their early thirties. A typical consumer in this segment has a successful career and wants to communicate that to the world. These consumers believe in living for today, spending time with friends and partying. His vehicle needs included distinctive and attention grabbing design, brand name and price. Opel Astra and Honda City were his favorite

⁹ "Ford to Roll Out 'Ikon' in November," *Financial Express* (05/27/1999)

cars. His relationship with his car is strong and he loves driving. Most currently own a small car such as a Maruti 800 or a Zen.

- *Affluent Puppies* (13%): A typical consumer in this segment is a mid-sized businessman and a college graduate to whom status and show are extremely important. He is quite affluent, typically with two cars in his household.. Ownership of cell phones and gold credit cards were high in this segment. His hobbies are not too diverse – watching TV, catching up with friends. He likes to attend family gatherings and go out for dinner with family and friends. Owning a premium car is an important status symbol. His needs from his vehicle were a mixture of features and style. Most of them currently owned premium cars.
- *Starting Out Small* (20%): A typical consumer in this segment was in his late thirties, married, and owned a home. He viewed himself as a family man who looked for simple pleasures in life and preferred Indian products. He would rather buy white goods than something that would enhance his status. He was the least affluent of all segments. He was enthusiastic about his current vehicle, a Maruti 800 or a Zen, which in all likelihood was also his first car purchased. However, price was the most important consideration.
- *Contented Conformist* (17%): Consumers in this segment were older, in their mid-forties, married and owned their homes. These consumers tended to be senior executives by profession. They preferred a quiet, secure, well-planned life. Consumers in this segment were not sports enthusiasts. Driving was not a pleasure and the typical consumer would have a chauffeur. In choosing a car, their preferences were for safe, durable and comfortable cars. Cars were not much more than means of transportation for these consumers. A typical consumer in this segment owned a single premium car.
- *The Upper Crust* (4%): This segment was comprised of wealthy, successful business owners in their late thirties. A typical consumer in the segment had about four cars. These consumers were very successful in life, well traveled, and had sophisticated tastes. These consumers wanted large, comfortable, and safe vehicles. They also needed the latest features and modern appearance. Most of these consumers owned at least 2 premium cars.
- *Life Without Spice* (2%): Consumers in this segment were in their thirties, owned a small business or worked as an executive in a company. Many of them were not married. Their main leisure activities were watching TV, going to movies or surfing the Internet. They lacked passion in most realms of life. Their attitude towards their car also exhibited a certain level of indifference. These consumers drove the cars themselves and were price sensitive. Most drove a small car (Maruti 800, Zen) but a few also drove premium cars.

Marketing research also showed that most auto consumers were very highly educated and looking for getting the best value for their money. However, in a span of a few years, they had gone from a marketplace made up of ancient Ambassador and Padmini cars to a new marketplace, which offered a bewildering array of choices from all the major auto

manufacturers. As the number of available cars increased, consumers' aspiration levels also moved up. Ford Ikon would need to establish a strong foothold against established players such as Maruti Esteem, Opel Astra and Honda City. Hyundai was planning to launch a direct competitor, Hyundai Accent, in the same model year. Industry sources also expected Honda to launch its international best seller Accord in the near future. In view of this competitive landscape, Ford also asked HTA to prepare an analysis of consumers' perceptions of existing competitors. Table 1 summarizes the key findings of this analysis.

Table 1: Consumer Perceptions of Key Competitors

	Opel Astra	Honda City	Maruti Esteem	Daewoo Cielo	Ford Escort
Reasons for Purchase	<ul style="list-style-type: none"> • Reputed brand • German technology • Status value- but not overt; subtle 	<ul style="list-style-type: none"> • Features of luxury car • Big car, comfort + value • Japanese Technology • Brand name • Status value 	<ul style="list-style-type: none"> • Price and running cost reasonable • Comfort + good features • Popular • Ready delivery • Maruti name- reassurance • Status--to some extent 	<ul style="list-style-type: none"> • Big car- premium + looks + status • Comfort + features • Financial schemes/as repayment of loans • Post purchase dissonance- in Mumbai 	<ul style="list-style-type: none"> • Driving comfort, safety • Ford - reputed, American • Status - impressive • Economy for the diesel version
Brand Persona	<ul style="list-style-type: none"> • Woman in red, turns heads • Western looks, Indian values 	<ul style="list-style-type: none"> • Charismatic personality • Young, intelligent, exec/businessman 	<ul style="list-style-type: none"> • Polite, popular, reliable, good looking man - "Man Friday" 	<ul style="list-style-type: none"> • Sexy, young, regal, impressive lady 	<ul style="list-style-type: none"> • Powerful, macho
Associations	Ice skating, leopard	Sailing, ice hockey, deer, cheetah	Leopard, squirrel, hare	Ping pong - fast but a waste of energy	Football, elephant, boxer dog, banking - reliable

As Spender and Fink pored over the marketing research data about the consumers and competitors, the preparations for November launch of Ikon were moving forward rapidly. Ford's distribution network was expected have 44 dealers, covering most major markets. Ford was offering Quality Care at all Ford dealerships, making India the second market in the world to provide a 24-hour help line and extended service hours for its customers. Ford was also committed to ensure that the Ikon was designed, engineered and built with the Indian consumer in mind. Some of the features meant to appeal to the Indian market included

- Stiffer suspensions
- Back seat luxuries such as power windows and air conditioning vents
- Increased leg room in the back
- Best-in-class headroom
- Large door openings
- Engines in 1.6 liter gasoline version and 1.8 liter diesel version--both being most powerful engines in the market. This was to be followed by a fuel efficient 1.3 liter gasoline engine in March 2000.

Ford decided to find a slot for Ikon between the luxury cars priced at Rs. 700,000 and above, and upper-end small cars priced around Rs. 500,000 (see Exhibit 4). Ford's hope was that this would draw consumers from both higher-end and lower-end cars. To this end, Spender and Fink decided to target the Full of Life and Affluent Puppies segments. Ford recognized that consumers in these segments had a "work hard, play hard," attitude. It seemed a popular phrase in Hindi and Urdu—Zinda Dil—captured the essence of the full of life consumer.¹⁰

Ford's brand vision for Ikon is summarized in Table 2 below.

Table 2: Brand Vision for the Ford Ikon

Brand appeal	Representing everything that's contemporary in Ford, e.g., new edge styling, powerful engines Exciting, fun to drive Global launch in India
Brand Personality	Progressive, contemporary, full of life Work hard, play hard
Consumers	Young, successful males, full of life Believers in "work hard, play hard" Driving enthusiasts Love socializing
Brand expression	Confident, colorful, and bold Appeals more to the heart than the head

¹⁰ Zinda=alive and Dil=heart

Communicating the Positioning

India, with all its diversity, presented a number of communication challenges, the most important one being linguistic differences across states. In addition to the two “national” languages – English and Hindi – many states had their own languages, e.g., Tamil is spoken in Tamil Nadu, Punjabi in Punjab, Gujarati in Gujarat. Because the boundaries of states had been drawn along linguistic lines, most states tended to have their own language, in addition to a myriad of dialects. Although there were several hundred dialects, the government officially recognized 18 languages in which government business could be conducted. Each language had its own media outlets. Due to linguistic differences across states, English emerged as the language of choice for business and higher education. In recent years, MTV, ESPN and other satellite channels further strengthened the trend towards English. Although Hindi was the native language for about 20% of the population, it had gained further popularity due to the immense influence of Hindi movies shown all across the country. As both Hindi and English gained popularity, a new way of conversation emerged, especially among the younger generation. It became to common to employ a blend of both Hindi and English, often in the same sentence. The blended language was considered more casual and was more Indian than pure English and more modern than pure Hindi. It was also common to see celebrities, anchors, and sometimes government officials employing this blend of both languages on TV. A popular TV channel, Zee TV, typically used Hinglish, as this blend of the two languages came to be known, on its news programs.

Ford and HTA were wondering if using Hinglish to position Ikon would be a good idea. Advertisers had started warming up to the idea of using Hinglish for marketing communications. Although a long-running marketing campaign by Amul butter often used Hinglish, Pepsi enjoyed the first major success with Hinglish in its campaigns “Yehi hai right choice, baby” (“This is the right choice, baby”) and “Yeh dil mange more” (“This heart desires more”). However, no car had been launched using Hinglish with automakers preferring English for their marketing communications.

Ford finally decided to call Ikon “The Josh Machine,” with *josh* meaning excitement, lust for life or enthusiasm in Hindi and other similar languages. Ford managers felt that Ikon's brand vision and target segment called for a powerful message that “The Josh Machine” could communicate better than any other option. Consistent with this tag line, Ford also chose to call the target segment, “Zinda Dil” consumers. Thus Ikon was to be “The Josh Machine” for the “Zinda Dil” consumers. Reflecting on the choice, Phil Spender explained that Ford's strategy was “to merge its global positioning with local nuances.”

Integrated Marketing Communications

Keeping in view Ikon's positioning, Ford India wanted to make an exciting launch for the product. They also wanted to make sure that the excitement continues past the product launch. Exhibit 5 gives the calendar of events planned for launch period. Some of the important pre-launch events organized by Ford India were as follows.

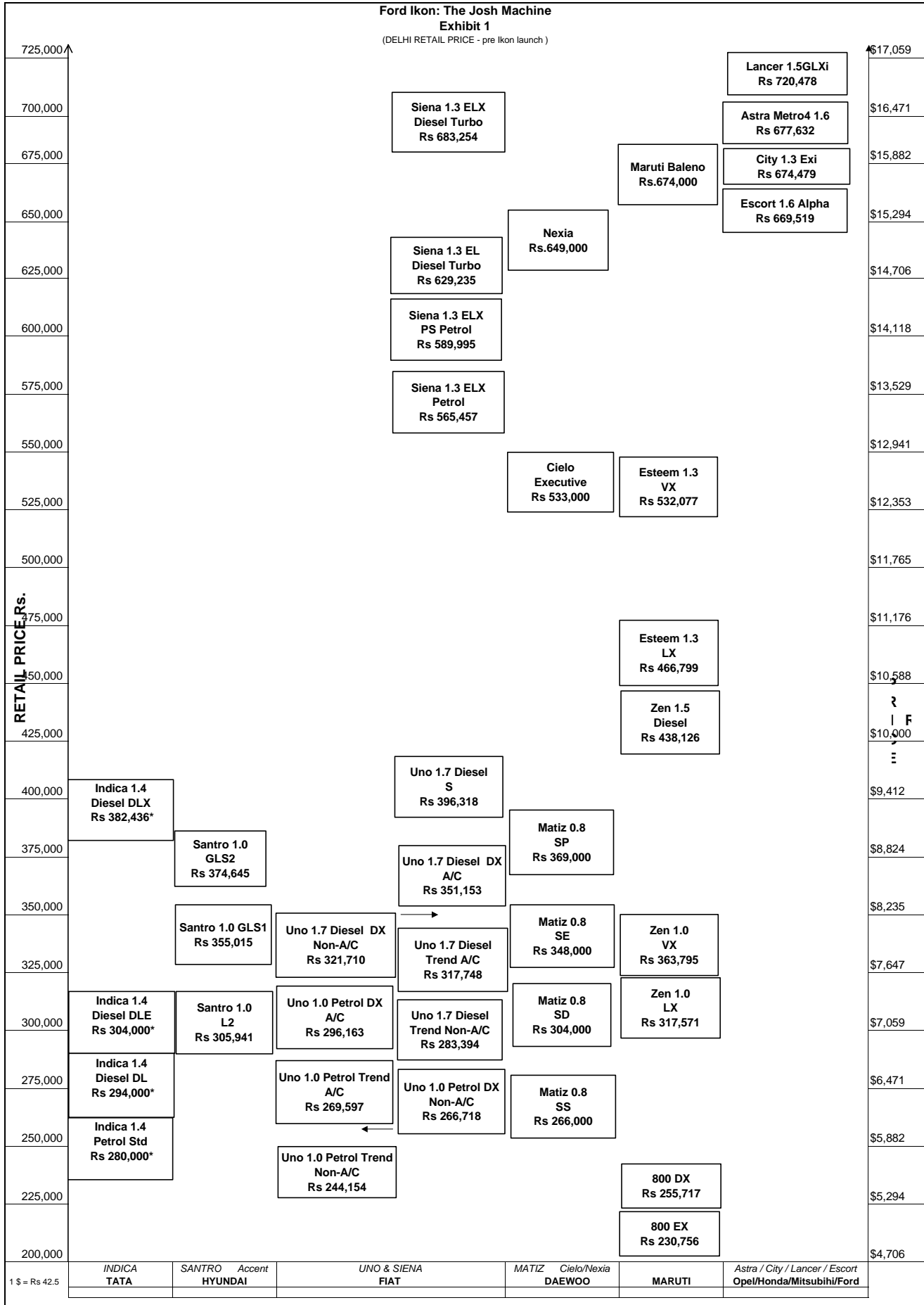
- Name reveal and associated press coverage (Exhibits 6, 7)
- Car reveal to dealers
- Car reveal to consumers through a teaser campaign (Exhibits 8, 9, 10)
- Spot the Ikon contest in key markets

Amid all the pre-launch excitement, Ford India managers noted that the midsize car market was showing improvement from the year 1998. Sales in September 1999 were 5,244 units compared to 3,934 units in 1998. The sales in April-September period were 35,534 cars, a figure slightly higher than that in the comparable period in 1998. Ikon was launched on November 22, 1999 by Ford Motor Company's CEO, Jacques Nasser. Nasser handed the first Ikon to N. Srinivasan, a well-known businessman and Managing Director of India Cements. Commenting on Ford's commitment to India, Nasser said, "This is the beginning of a long journey in the Indian community and we are looking forward to a competitive market in the next century."

Ford Ikon: The Josh Machine

Exhibit 1

(DELHI RETAIL PRICE - pre Ikon launch)



1 \$ = Rs 42.5

INDICA TATA SANTRO Accent HYUNDAI UNO & SIENA FIAT MATIZ Cielo/Nexia DAEWOO 800 DX EX MARUTI Astra / City / Lancer / Escort Opel/Honda/Mitsubishi/Ford

Ford Ikon: The Josh Machine
Exhibit 2 A: Production (in units)

CATEGORY	1994-95	1995-96	1996-97	1997-98	1998-99
M & HCVs	102002	129651	155696	95854	80528
LCVs	92997	87786	84855	65040	55363
TOTAL CVs	194999	217437	240551	160894	135891
CARS	264368	348240	411145	401002	390709
MUVs	49371	106251	134583	134653	113328
TOTAL Cars & MUVs	313739	454491	545728	535655	504037
Total 4 Wheelers	508738	671928	786279	696549	639928
SCOOTERS	1030803	1224889	1312920	1279467	1315055
MOTORCYCLES	647521	809087	988233	1125958	1387286
MOPEDS	516936	622041	678074	667242	672167
TOTAL 2 WHEELERS	2195260	2656017	2979227	3072667	3374508
THREE WHEELERS	133193	176413	221619	234867	209033
GRAND TOTAL	2837191	3504358	3987125	4004083	4223469

Note: M & H CV: Medium and Heavy Commercial Vehicles, MUVs: Multi Use Vehicles

Source: Society of Indian Automobile Manufacturers Association

Ford Ikon: The Josh Machine
Exhibit 2 B: Sales including Exports (in units)

CATEGORY	1994-95	1995-96	1996-97	1997-98	1998-99	
M & HCVs	103717	128341	151117	94131	83668	
LCVs	94863	87297	84395	63767	56262	
TOTAL CVs	198580	215638	235512	157898	139930	
CARS	264803	345340	411305	417720	409951	
MUVs	51072	104260	134641	133302	111736	
TOTAL Cars & MUVs	315875	449600	545946	551022	521687	
Total 4 Wheelers	514455	665238	781458	708920	661617	
SCOOTERS	1033538	1222649	1301051	1262699	1325868	
MOTORCYCLES	652032	809527	978682	1131314	1395657	
MOPEDS	523700	626112	683756	648842	681902	
TOTAL 2 WHEELERS	2209270	2658288	2963489	3042855	3403427	
THREE WHEELERS	133288	177055	220436	233733	210220	
GRAND TOTAL	2857013	3500581	3965383	3985508	4275264	4915572

Note: M & H CV: Medium and Heavy Commercial Vehicles, MUVs: Multi Use Vehicles

Source: Society of Indian Automobile Manufacturers Association

Ford Ikon: The Josh Machine
Exhibit 2 C: Exports (in units)

CATEGORY	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
M & HCVs	7813	8560	6606	5872	4544	5089
LCVs	8069	6995	7230	8212	5564	4823
TOTAL CVs	15882	15555	13836	14084	10108	9912
CARS	20406	28851	37161	29705	25468	23271
MUVs	3736	2987	2484	3288	2654	5148
TOTAL Cars & MUVs	24142	31838	39645	32993	28122	28419
Total 4 Wheelers	40024	47393	53481	47077	38230	38331
SCOOTERS	23197	23106	26236	30267	28753	20188
MOTORCYCLES	31569	48596	50353	45338	35461	35295
MOPEDS	62863	42269	48139	49899	35788	27754
TOTAL 2 WHEELERS	117629	113971	124728	125504	100002	83237
THREE WHEELERS	24941	32214	21973	18595	21138	18388
GRAND TOTAL	182594	193578	200182	191176	159370	139956

Note: M & H CV: Medium and Heavy Commercial Vehicles, MUVs: Multi Use Vehicles

Source: Society of Indian Automobile Manufacturers Association

Ford Ikon: The Josh Machine
Exhibit 3: Ford Escort Specifications (1.3 liter version)

I. Engine Type Carburetion
Cylinders 4
Displacement 1,299 cc
Power Transmission 5 speed;

Manual

Maximum Output 58 bhp
@ 5,000 rpm
Maximum Torque 9.5 nm
@ 2,500 rpm

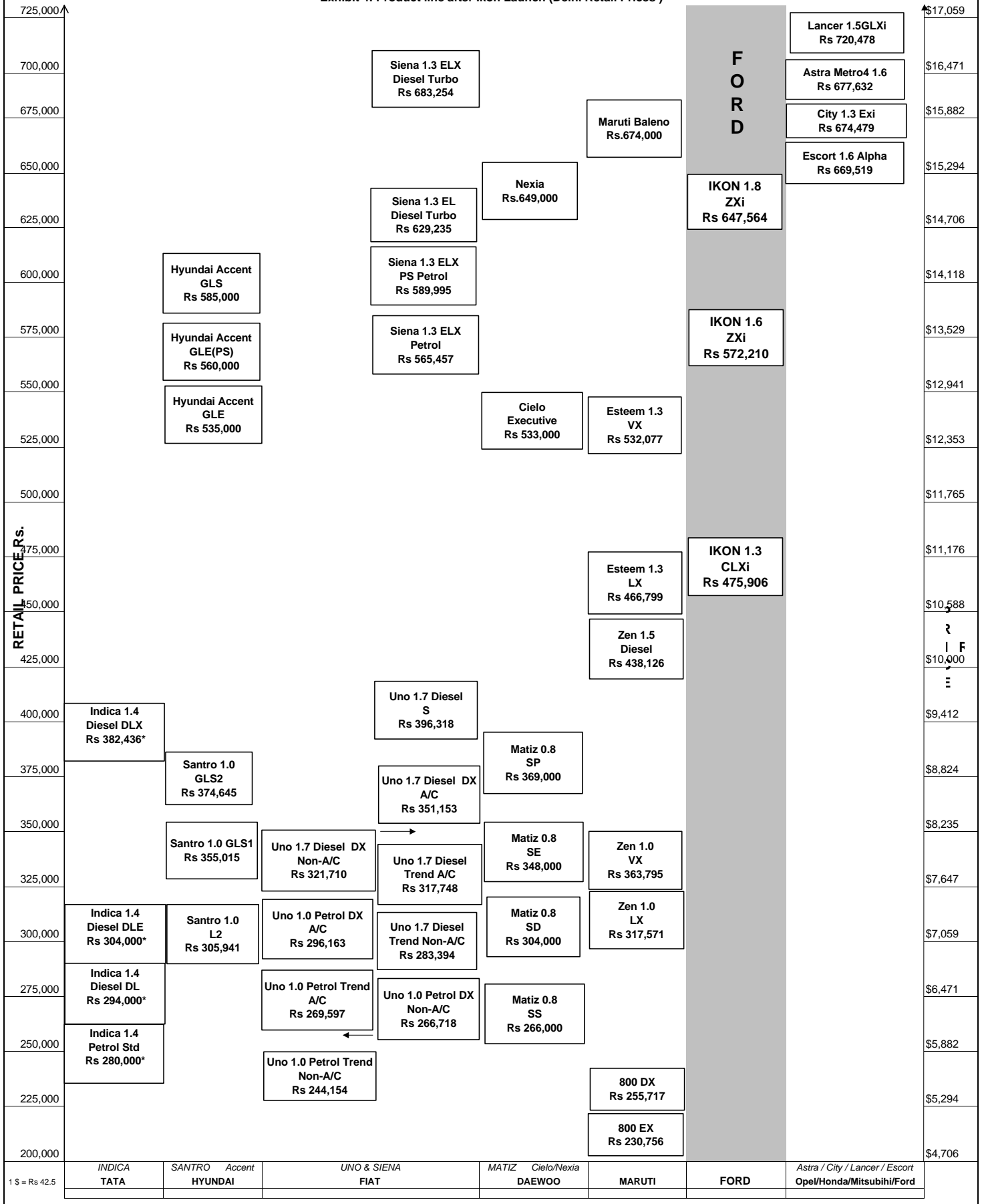
II. Dimensions

Length 4.295 m
Width 1.700 m
Height 1.373 m
Unladen Weight 1,060 kgs
Laden Weight 1,515 kgs
Wheelbase 2.523 m
Turning Radius 5.0 m

III. Chassis

Steering Fixed ratio rack & pinion
Brakes Front/Rear Disc/Drum
Tyres 175/80 R13
Front Suspension Independent
suspension with
McPherson strut and anti roll
Rear Suspension Twist beam
with McPherson strut
Fuel Capacity 55 litres

FORD Ikon: The Josh Machine
Exhibit 4: Product line after Ikon Launch (Delhi Retail Prices)



1 \$ = Rs 42.5	INDICA TATA	SANTRO Accent HYUNDAI	UNO & SIENA FIAT	MATIZ Cielo/Nexia DAEWOO	MARUTI	FORD	Astra / City / Lancer / Escort Opel/Honda/Mitsubishi/Ford
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Ford I kon: The Josh Machine
Exhibit 6: Name Reveal (Press)



Ford Ikon: The Josh Machine

Exhibit 7: Press Coverage of Name Reveal

IKON FOR INDIA

Ford has announced the name of its new car "built in India, for India, by India". But it is undecided on the price of the vehicle which is to be launched later this year

Ford to unveil Ikon in Nov

Our Mumbai Bureau
Mumbai, 24 May

THE NEXT new car from Ford India Ltd, a subsidiary of Ford Motor Company, will be called Ikon. Ford India's top brass on Wednesday revealed the name of its new car, so far code-named C192, after a board meeting.

While announcing the name of the car in a recorded message, Ford Motor Company president and chief executive officer Jacques Nasser said the car, developed and engineered in Germany and UK, will have enough ground clearance to handle local road and weather conditions and is short of a vehicle built in India, by India for Indians.



Ford India chief Terry Spender at a press conference in Mumbai on Wednesday.

Ford names its new Indian car Ikon

Our Mumbai Bureau
26 MAY

THE next new car to be launched in India will be called Ikon.

Ford to roll out new Ikon in November

Mumbai City & State
Mumbai, 25 May

A FORD car will be rolled out in India in November. The car, which is being developed in Germany and UK, will have enough ground clearance to handle local road and weather conditions and is short of a vehicle built in India, by India for Indians.



Ford India chief Terry Spender and Philip Spender, MD, at a press conference in Mumbai on Wednesday.

Ikon, the three-box version of Ford's popular two-box car Fiesta, will be launched in India in November as part of a world-wide

Ford to present 'Ikon' in mid-size segment

Our Mumbai Bureau
Mumbai, 25 May

FORD has announced the name of its new car, Ikon, which is to be launched later this year. The car, which is being developed in Germany and UK, will have enough ground clearance to handle local road and weather conditions and is short of a vehicle built in India, by India for Indians.

of an equal number planned 12-15 months from launch. Though a clear answer was unavailable, Nasser said the Ikon would be available in the mid-size segment. The car, which is being developed in Germany and UK, will have enough ground clearance to handle local road and weather conditions and is short of a vehicle built in India, by India for Indians.



Ford India chief Terry Spender and Philip Spender, MD, at a press conference in Mumbai on Wednesday.

REVVING UP: Philip Spender, MD, and Terry de Jonckheere, chairman, Ford India, announce the name of the new Ford car at a press meet in Mumbai on Wednesday — P: Bharat Chandra

launch. The Ikon will be available in both petrol and diesel versions.

Mr Terry de Jonckheere, chairman, and Mr Philip Spender, MD

of Ford India, however, did reveal more details of the car during the name reveal.

Around 20 prototypes ready and undergoing test at Ford's facilities in Germany and UK. Performance metrics such as vehicle dynamics, passenger comfort and transmission, engine and efficiency and climate would be taken into account during the tests.

The Maraimalai Nagar Ford India in Chennai will produce 20,000 Ikon cars per cent local content. The manufacturing facility, a flex plant, has an annual capacity of 1.5 lakh cars, which can be expanded to 2.5 lakh as demand picks up.

Mr Jonckheere also said today that FIIL is close to completing a feasibility study for the Ikon car for India.

Ford Ikon: The Josh Machine

Exhibit 8: Partial Car Reveal



Ford Ikon: The Josh Machine

Exhibit 9: Early Consumer Reveal (Press)



Ford Ikon: The Josh Machine

Exhibit 10: Early Consumer Reveal

