

# Maruti rides past peers in revenue growth per car

Logs 13% growth year-on-year in 2023; M&M had led the pack last year

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**M**aruti Suzuki India (MSIL) in 2023 experienced a 13.12 per cent year-on-year (Y-o-Y) surge in average revenue earned per car, the highest among major car companies in India.

This was driven by higher-priced new model launches, increased Grand Vitara sales, elevated sales of high-end variants, and marginal pure price hikes, according to Jato Dynamics' data reviewed by *Business Standard*.

In 2022, MSIL had experienced an 11.98 per cent Y-o-Y increase in average revenue per car, according to the data.

"Our sales ratio in the higher-end car segment has increased, particularly in the SUV (sport utility vehicle) market where our share has grown within a higher price range. This shift in the model mix impacts average revenue per car for the company," Shashank Srivastava, senior executive officer (marketing & sales), MSIL, told the newspaper.

"Similarly, changes in the variant mix — where higher variants of a model out-sell lower variants — also contribute to an increase in average revenue earned per car. Additionally, the introduction of new models throughout the year and pure price hikes further influence the average revenue per car," he added.

In 2022, Mahindra & Mahindra witnessed an 18.16 per cent Y-o-Y increase in average revenue per car, the highest among all car companies. However, in 2023, the company observed a 7.56 per cent Y-o-Y surge in average revenue per car. "MSIL's growth in 2023 was a result of new model launches of high ticket size and substantial jump in Grand Vitara sales numbers. Mahindra, on the other hand, stabilised as compared to 2022 (no massive change in ticket size) though the Scorpio did quite well as compared to 2022," Ravi Bhatia, president, Jato Dynamics India, told the newspaper.

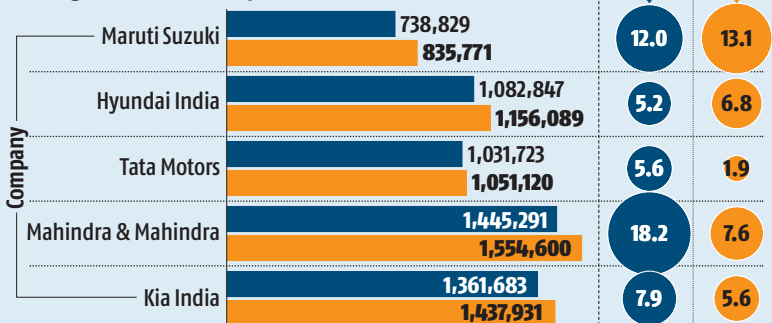
Hyundai, India's second-largest car-maker, experienced a 6.76 per cent Y-o-Y increase in average revenue per car in 2023 and a 5.2 per cent increase in 2022. According to Bhatia, the rise in 2023 can be attributed to the launch of the "Exter



## MAJOR PLAYERS

Maruti's growth was driven by higher-priced new model launches and marginal pure price hikes

Average revenue realised per car in 2022 (blue) and 2023 (orange) (in ₹)



Source: Jato Dynamics

and Ioniq 5, which have high weighted average retail prices". He noted the Tucson and Verna witnessed a notably higher increase in sales volumes, influencing the overall average revenue earned per car for the South Korean company. Hyundai in 2023 increased the prices of its cars in the range 0-2.7 per cent, according to the data.

Tarun Garg, chief operating officer, Hyundai Motor India, told *Business Standard* that 2023 was a "remarkable" year for his company.

"During the year 2023, we revamped our almost entire product range, standardised six airbags across the entire product range (all models and variants) and introduced more models with ADAS (advanced driver assistance systems) safety technology. The increase in price is due to the above-mentioned factors," he added.

He said while the company strove to absorb cost escalations, the introduction

of new products, technologies, and features, along with new emission, safety, and regulatory norms, had led to a significant rise in costs and only part of that cost led to a price increase.

Tata Motors, India's third-largest passenger vehicle maker, experienced a 1.88 per cent Y-o-Y increase in average revenue realised per car in 2023 and a 5.63 per cent increase in 2022. According to Bhatia, this is due to a marginal pure price change done across the entire Tata Motors' model range in 2023.

"The weighted average price change was minimal for all higher selling models. Six of the total seven models observed a weighted average price change of less than 10 per cent in 2023. Only the Tiago had a slightly higher weighted average price change because of the entry of new variants in electric powertrain," he added.