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Tata Hitachi Plans To Bring Construction Industry On The Digital Map

5th Feb, 2018



The construction industry has been facing a downturn since many years, and last year was burdensome as demonetization and GST affected this industry. But now, they are not in a mood to be called "Unchanged."

THCM, a joint venture between Tata Motors limited (40 per cent) and Hitachi Construction Machinery Limited (60 per cent,) has some interesting plans to revive the market in a new way. From building an app to sell equipment's online, to using digital as a medium to stay close to dealers and customers, they too want to be a name on the world wide web.

Recently, Tata Hitachi launched their first campaign 'Chalo Desh Banaye: Building the India of Tomorrow,' under the Make in India Initiative. According to Mr. Sandeep Singh, Managing Director, Tata Hitachi, "I realized people don't know much about this industry. When our government is talking about Make in India and infrastructure development, we are the people who play an important role too." The idea of campaign is to connect with the minds and hearts of the people, where it can stay for a while and to showcase that we also exist in the market.

The government is keen in pushing the infrastructure in a bid to boost the country's economy. Sandeep Singh, Managing Director, Tata Hitachi Construction Machinery discusses the next phase of growth and why, after so many years, have they chosen digital as a medium to communicate.

Excerpts:

Tell us more about your ad campaign.

Generally, people are not directly connected to the construction industry, but they do play a crucial role from opinion makers to decision takers. We thought why not connect directly with the customers? Since, we have released the ad, we have received good response. As an organization, our aim is to create new milestones and strive towards building a brighter and better tomorrow.

How has the implementation of GST impacted the construction industry?

When GST was implemented, there was a huge impact. Our sales dropped by 30 per cent. The initial two months were tight but in the third month it settled down and later on, the government reduced the GST from 28 per cent to 18 per cent in the month of November, which was quite a relief for the industry. The big advantage of GST is that there is only One Tax policy. Earlier, each state use to have different taxes, resulting in varying prices from one state to another. It is much more streamlined now.

With growing competition and shrinking market base, what will be the top priority for Tata Hitachi to capture the market again?

In TATA Hitachi, we have been able to establish good relationships with our customers. We keep investing in technology, research, product innovation and improvement, which have given us the confidence of catering to the new demand surge in the market. Even if there is competition, we are holding to our market shares. The numbers of manufacturers are increasingly rapidly. Customers trust Tata Hitachi and they believe the machines will give them good value for their money.

With govt. focusing a lot on Make in India, What are the THCM plans under this campaign?

60 per cent of our components are already localized, most of the models are manufactured in India and some are imported from Japan. We always localize the product, as we need to localize our customers. Make in India is very much part of our business, not only now but from the beginning. Our agenda is to understand customer needs and provide necessary equipments and solutions to increase profitability in the market.

How important is digital media for brands today and what is THCM doing to communicate its vision of building a greater tomorrow?

In the construction industry, digital media has not played a big role but from last two years, we have started using it. We want to change the game in the construction industry. We're developing an app to sell equipments through digital medium and we're pretty sure the requirements are going to be huge. We are also integrating other facilities in the app, where customers can hire the machines on hourly basis via logging online. Though some companies have already started this, it didn't managed to get success. We'll tie all the loose ends and see how it works.

Digital medium plays a vital role and one has to see how it helps your business either in promoting a brand or product.

Going forward, what will be the communication and advertising strategy for the brand?

We don't have a huge advertising budget. We do spend, but very less. Advertisement plans are limited but from now onwards, we will increase it every year. The campaign "Chalo Desh Banaye" is a start for us and we'll keep investing in this with new ideas and themes, as we want to build strong relationship with stakeholders and customers. Very soon more campaigns will come.