
Ambassador: The Iconic Car Of India

In year 1958 in India, Hindustan Motors had launched Ambassador car which was then a marvel of engineering and product of innovation. For more than two decades after its launch, Ambassador enjoyed monopoly [> 75% market share by year 1970s] and was king of Indian roads. Ambassador was omnipresent. It was high in demand with long waiting period of delivery and was a priced possession till year 1983 when Maruti launched its compact and fuel efficient 800 model. After opening of Indian markets 1991, many foreign manufacturers of compact, trendy and fuel efficient cars started entering the market and made it more competitive than ever before. Competition posed challenge to the inertia of the established Hindustan Motors. Market share of Ambassador plummeted to 20% between year 1980 and 1990.

Ambassador remained a product with limited customization available to the buyers and they had to find merit in whatever came in-built with Ambassador. It was only until launch of Maruti 800 and entry of foreign car manufacturers that the flaws; such as old-fashioned, fuel inefficient, high maintenance; of Ambassador started to become visible to customers. New but opulent middle class people were more practical and demanding with respect to features of the cars. New players designed their cars keeping needs of customer at centre i.e. higher mileage, low maintenance, optimal size considering parking space and roads.

For decades Ambassador was the only car used by Indian politicians, bureaucrats and government officials. Considering its spacious design, Ambassador had remained the preferred choice for taxi. People loved it as family car as well because it could accommodate large families comfortably. Shares of Hindustan Motors was selling like hot cake on Dalal Street and usually referred to as “Motor Garam” [translated as Hot Motor in English]. In year 2013, Ambassador was rated as best taxi in the world by auto show Top Gear, beating other international car models.

These factors crept in and resulted into complacency, convenience and nostalgia. Although post launch of Maruti 800, Ambassador could sail through for few years, however with consistent reduction in volume of cars sold. In year 2003, Indian government floated BS-IV pollution compliance norms which added to the woes of BS-III compliant Ambassador and gave final jolt. Unable to cope up with changing trends in auto business, Hindustan Motors stalled production of Ambassador in year 2013 and eventually in year 2014 sold the brand to French automobile conglomerate PSA Group for mere Rs 80 Cr.

References

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