

Two Wheeler Industry

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CHAPTER 1

INTRODUCTION

Introduction to Two Wheeler Industry

The two-wheeler industry in India has been in existence since 1955. It consists of three segments viz., scooters, motorcycles, and mopeds. The increase in sales volume of this industry is proof of its high growth. In 1971, sales were around 0.1 million units per annum. But by 1998, this figure had risen to 3 million units per annum. Similarly, capacities of production have also increased from about 0.2 million units of annual capacity in the seventies to more than 4 million units in the late nineties.

The two wheeler industry in India began its operations within the framework of the national industrial policy as espoused by the Industrial Policy Resolution of 1956. (See Government of India 1980, 1985, 1992). This resolution divided the entire industrial sector into three groups, of which one contained industries whose development was the exclusive responsibility of the State, another included those industries in which both the State and the private sector could participate and the last set of industries that could be developed exclusively under private initiative within the guidelines and objectives laid out by the Five Year Plans. Private investment was channelized and regulated through the extensive use of licensing giving the State comprehensive control over the direction and pattern of investment. Entry of firms, capacity expansion, choice of product and capacity mix and technology, were all effectively controlled by the State in a bid to prevent the concentration of economic power. However due to lapses in the system, fresh policies were brought in at the end of the sixties.

The two-wheeler industry in India has to a great extent been shaped by the evolution of the industrial policy of the country. Regulatory policies like FERA and MRTP caused the growth of some segments in the industry like motorcycles to stagnate. Once foreign investments were allowed in 1981. The reforms in the eighties like 'broad banding' caused the entry of several new firms and products which caused the existing technologically outdated products to lose sales volume and or exit the market. Finally, with liberalization in the nineties, the industry witnessed a proliferation in brands. A description of the evolution of the two wheeler industry in India is usefully split up into four ten year periods. This division traces significant changes in economic policy making. The first time-period, 1960-1969, was one during which the growth of the two-wheeler industry was fostered through means like permitting foreign collaborations and phasing out of the Indian economy was faced with several problems at this time. A foreign exchange reserve were down to two month's imports, there was a large budget deficit, double digit inflation, and with India's credit rating down graded, private foreign lending was cut off. Also the Gulf war in 1990 brought about an increase in oil prices, and India had to import oil for over US\$ 2 billion (GATT Secretariat, 1993).

The two-wheeler industry in the nineties was characterized by an increase in the number of brands available in the market which caused firms to compete on the basis of fuel-efficiency which is improved by 60-100 % in the new vehicles. In the seventies, motorcycle mileage was on an average between 25 to 50 kmpl (kilometer per liter), which had now improved to 50 to 80 kmpl. For mopeds it improved from 50 kmpl to 80 kmpl. Output of the engines also increased from 3-4 HP to 10 HP per 100 cc. In the scooter segment, models with features like self-starter facility, automatic transmission system, gear-less riding etc. were introduced that were traditionally not available in scooters. In the motorcycle segment, the new 100 cc models compared well against the existing heavier models of 250 cc, 350 cc etc as these were lighter

and more fuel-efficient.

The two wheelers have played a vital role in the growth of the Indian automobile industry. Over the years the domestic sale of various brand of two wheelers have grown in large numbers. Even in the sphere of exports, the two wheelers have been able to maximize the profit margin of various two wheeler manufacturers. In the recent years the two wheeler industry has witnessed sea change.

During the previous years the scooters used to have about 50% of the market share and the rest were divided between the motorcycles and mopeds. But now the trend indicates that people are preferring motorcycles more than that of the scooters. At present there is a huge demand for the motorcycles in India.

There are a number of two wheeler companies in India that produces vehicles of extremely high standard. Some of the leading two wheeler manufacturers in India are Bajaj Auto, Hero Honda Motors, TVS Motors, Kinetic Motors, Suzuki Motor Corporation, Royal Enfield Motors India, Yamaha Motor India and LML India. Many of two wheelers manufactured by these companies are exported to countries in South East Asia, Africa and South America.

Motorcycles are usually priced higher than that of the scooters and mopeds. They are even equipped with more features for faster travel. Based upon the engine displacements and power capacity motorcycles are further classified as: road bikes, trail bikes, racing bikes and touring bikes. Most of the motorcycles in India come with engine capacity of about 100 cc to 250 cc. The engine capacity of scooters usually vary between 100 cc to 150 cc. Mopeds have small engine capacity ranging between 50cc to 100 cc. Most of the automobile companies in this segment are always coming up with new variants of different models of two wheelers. To

be in the long run these companies are even adding more number of features to these vehicles.

The Indian two-wheeler industry has undergone a significant change over the past 10 years with the preference changing from scooters and mopeds to motorcycles. The scooters segment was the largest till 1998 accounting for around 42% of the two-wheeler sales (motorcycles and mopeds accounted for 37% and 21 % of the market respectively, that year). However the motorcycles segment that had witnessed high growth since 1994 became larger than the scooter segment in terms of market share for the first time in 1999. Between 1996 and 2005, the motorcycles segment more than doubled its share of the two-wheeler industry to 79% even as the market shares of scooters and mopeds stood lower at 16% and 5%, respectively

While scooter sales declined sharply by 28% in 2001, motorcycle sales reported a healthy growth. The marketing pitch of scooters has typically emphasized reliability, price, comfort and utility across various applications. Motorcycles on the other hand have been traditionally positioned as vehicles of power and style, which are rugged and more durable. These features have now been complemented by the availability of new designs and technological innovations. Moreover higher mileage offered by the executive and entry-level models has also attracted interest of two-wheeler customer. Given this market positioning of scooters and motorcycles, it is not surprising that the new set of customers has preferred motorcycles to scooters. With better ground clearance, larger wheels and better suspension offered by motorcycles, they are well positioned to capture the rising demand in rural areas where these characteristics matter the most.

Scooters are perceived to be family vehicles, which offer more functional value such as broader seat, bigger storage space and easier ride. However, with the second-hand car market developing, a preference for used cars to new two-wheelers among vehicle buyers cannot be ruled out. Nevertheless, the past few years have witnessed a shift in preference towards gearless scooters (that are popular among women) within the scooters segment. Motorcycles offer higher fuel efficiency, greater acceleration and more environment friendliness. Given the declining difference in prices of scooters and motorcycles in the past few years, the preference has shifted towards motorcycles. Besides a change in demographic profile, technology and reduction in the price difference between motorcycles and scooters, another factor that has weighed in favour of motorcycles is the high re-sale value they offer. Thus, the customer is willing to pay an up-front premium while purchasing a motorcycle in exchange for lower maintenance and a relatively higher resale value.

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INTRODUCTION TO MARKETING

Market:

A market consist of all the potential customer sharing a particular need or want who might be willing & able to engage in exchange to satisfy that need or want. Marketer however sees the sellers as consulting the industry & the buyers as constituting the market.

Marketing:

Marketing is a social & management process by which individuals & group obtain what they need & want through creating, offering & exchanging product of Value with others. This definition of marketing rests on the following core concepts.

Marketing Concept:

Hold that the they to achieving goals consist of being more effective than competitions in integrating marketing activities toward determining & satisfying the needs & wants to target the market and building customer satisfaction through quality.

Customer Satisfaction:

It is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations.

Consumer Behaviour:

Consumer behaviour is how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires.

Understanding consumer behaviour and knowing customers is never simple. Customers may say one thing but do another. They may not be in touch with their deeper motivations. They may respond to influences that change their minds at the last minute.

Consumer Purchase Behaviour

Consumer purchase behaviour is why consumers make decisions to buy goods & services, consumer behavior research goes far beyond these facets of consumer behavior & encompasses all of the behaviors that consumers display in searching, purchasing, using, evaluating, & disposing of products & services that they expect will satisfy their needs. For example, a couple may experience dissatisfaction with their choice of an automobile, perhaps because of continuing service problems. They may communicate their dissatisfaction to friends &, in turn influence their friend's future automobile purchases. They may never buy the same make or model again, limiting their own future selection decisions. Each of these possible consequences of consumer post purchase dissatisfaction has significant implications for automobile marketers, who have to build post purchase strategies into their promotional campaigns.

In addition to studying consumer uses & post purchase evaluations of the products they buy, consumer researchers also are interested in how individuals dispose of their once new purchases. For example, after consumer have used the product, do they store it , throw it or give it away, sell it , rent it, or let it out? The answers to these questions are important to marketers, because they must match their production to the frequency with which consumer buy replacements. However, the answers are also important to society as a whole, because solid waste disposal has become a major environmental problem that marketers must address in their development of new products & packaging.

The term consumer is often used to describe two different kinds of consuming entities: the personal consumer & organizations consumer. The personal consumer buys goods & services for their own use (e.g. Shaving cream, or shampoo) for the use of household (VCR), or as a gift for a friend (a book), in each of these contexts, the goods are bought for final use by individuals, who are referred to as end users or ultimate consumers.

The second category of consumer – the organizational consumer includes profit & not-for-profit businesses, government agencies (local, state & national) & institutions (schools, hospitals, prisons) all of which must buy products, equipment & services in order to run their organizations, manufacturing companies must buy the raw materials & other components needed to manufacture & sell their products, service companies must buy the equipment necessary to render the services they sell, government agencies must buy the office products needed to operate their agencies, institutions must buy the materials they need to maintain themselves & their populations.

Despite the important of both categories of consumers, individuals & organizations we will focus on the individual consumers, who purchases for his/her own personal use or for household use. End-use consumption is perhaps the most pervasive of all type of consumer behavior, for it involves every individual, of every age & background, in the role of either buyer, user or both.

The person who makes the product purchase is not always the user, or the only user of the product. Nor is the purchaser necessarily the person who makes the product decision. A mother may buy toys for her children (who are the users) she may buy food for dinner (& be one of the users) she may buy a handbag & be the only user. She may buy magazine that one of her teenagers requested or rent a video that her husband requested, or she & her husband together may buy station wagon that is selected by both. Clearly buyers are not always the users or the only users of the product they buy, nor do they necessarily make the product selection themselves.

Marketers must decide at whom to direct their promotional efforts, the buyer or the user. For some products they must identify the person who is most likely to influence the decision – who may be neither the buyer, nor the user. For example, as people live longer, they often depend more & more upon the advice & counsel of their children or other caregivers. Should a retirement community advertise to the elderly or their middle-aged children? Should an emergency response system be targeted to elderly people or to their concerned relatives? Some marketers believe that the buyer of the product is the best prospect, others believe it is the user of the product, while still others play it safe by directing their promotional efforts to both buyers & users.

Why we study Consumer Behaviour

Just as consumers and marketers are diverse, the reasons why people study consumer behaviour are also diverse. The consumer behaviour holds great interest for us as consumer and as marketers.

As consumers, we benefit from insights into our own consumption related decisions what we buy, how we buy & the promotional influences that persuade us to buy. The study of consumer behaviour enables us to become better consumers.

As marketers & future marketers, it is important for us to recognize why & how individuals make their consumption decision, so that we can make better strategic marketing decisions. If marketers understand consumer behavior, they are able to predict how consumers are likely to react to various informational & environmental cues, & are able to shape their marketing strategies accordingly. Without doubt, marketers who understand consumer behavior have great competitive advantage in the market place.

Consumer behaviour was a relatively new field of study in the mid-to-late 1960s. With no history or body of research of its own, the new discipline borrowed heavily from concepts developed in other scientific disciplines, such as psychology (the study of an individual), sociology (the study of groups) social psychology (the study of how an individual operates in a group), anthropology (the influence of society on the individual) & economics. Many early theories concerning consumer behavior were based on economic theory.

The initial thrust of consumer research was a managerial perspective; marketing managers wanted to know the specific causes of consumer behavior. They also wanted to know how people receive; store & use consumption related information, so that they could design marketing strategies to influence consumption decisions. They regarded the consumer behavior discipline as an applied marketing science, if they could predict consumer behavior, they could influence it. This approach has come to be known as positivity.

Why is the field of consumer behaviour developed

There are a number of reasons why the study of consumer behavior developed as a separate marketing discipline. The size of the consumer market in this country was vast & constantly expanding. Billions of dollars were being spent on goods & services by millions of people. Consumer preferences were changing & becoming highly diversified. Even in industrial market, need for goods & services were always more homogeneous than in consumer markets, buyers were exhibiting diversified preferences & less predictable purchase behavior.

As marketing researches began to study the buying behavior of consumer, they soon realize that, despite sometimes “approach to fads & fashions, many consumer rebelled at using the identical product everyone else used. Instead they preferred differentiated product that they felt reflected their on special needs, personalities & lifestyles.

To meet the needs of specific group of consumers, most marketers adopted the policy of market segmentation, which called for the division of their total potential markets into smaller, homogeneous segments for which their could design specific products & are promotional campaigns they also used promotional techniques to vary the image of their products so that they would be perceived as better fulfilling the specific need of certain target segment process now known as positioning. Other reasons for the developing interest in consumer behavior included the rate of new product development interest in consumer behavior included the rate of new product development, the growth of consumer movement, public policy concerns, environmental concerns,& the growth of both non-profit marketing & international marketing.

Indeed a major stumbling block too many international marketing efforts has been the general lack of familiarity with the needs, preferences & consumption habits of consumers in foreign markets. Marketers now use cross culture consumer research studies as the basis for product development & promotional strategies to meet the needs of targeted foreign consumers.

Development of the marketing concept

The field of consumer behavior is rooted in marketing concept. A marketing strategy that evolved in the late 1950s, after marketers pass through a series of marketing approaches referred to as a production concept, the product concept, & the selling concept,

When World War II ended, the marketers found they could sell almost any goods they could produce. This marketing approach is called production orientation. Its implicit marketing objectives are cheap, efficient production & intensive distribution. A production orientation is a feasible marketing strategy when consumer is more interested in obtaining the product when they are in its specific features. When demand exceeds supply, a production orientation can work. Consumer will buy what is available, rather than wait for what they really want.

A production orientation should not be confused with a product orientation, which assures that consumers will buy the product that offers them the highest quality, the best performance & the most features. A product orientation leads a company to strive constantly to improve the quality of its product, rather than on the consumer needs it presumes to satisfy. A marketer is in love with its product may improve it far beyond. In highly competitive market, some companies keep on adding some unnecessary features in hopes of attracting buyers.

In natural evolution from both the production orientation & a product orientation is a selling orientation, in which a marketer's primary focus is selling the product that it has unilaterally decided to produce. The implicit assumption in the selling orientation is that consumers unlikely to buy product unless they are actively & aggressively persuaded to do so (i.e.

through a “hard sell approach”) the problem with the selling orientation is that it does not take consumer satisfaction into account. When consumers are in used to buy products that they don't want or need, any resulting unhappiness is likely to be communicated through negative word of mouth that may dissuade other potential consumers from making a similar purchase. Further more, when the product or service does not fulfill a consumer need, it is unlikely the repeat purchase will be forthcoming.

In the late 1950s, some marketers began to realize that they could sell more goods, more easily, if they produce only those goods that they had pre-determined consumers would buy. Instead of trying to persuade customers to buy what the firm has already produced, marketing oriented firm endeavor to produce only products that they had first confirmed consumers would buy. Consumers needs & wants becomes the firms primary focus. This consumer's oriented marketing philosophy came to be known as the marketing concept. The key assumption underlying the marketing concept is that to be successful, a company must determine the needs & wants of specific target market & deliver the desired satisfactions better than the competition. The marketing concept is based on the premised that a marketer should make what he can sell is trying to sell what he has made. While selling the concept focus squarely on the needs of the buyer.

The widespread adoption of the marketing concept American business provided the impetus for the study of the consumer behavior. To identify unsatisfied consumer needs, company has to engage in extensive marketing research. In doing so, they discovered that consumers were highly complex individuals, subjects to a variety of psychological & social needs quite apart from their survival needs. They discovered that the needs & priorities of different consumer segment differed dramatically & that to design new products & marketing strategies that would fulfill consumer needs they had to study consumers & their consumption behavior principles to marketing strategies.

CHAPTER 2

INDUSTRY PROFILE

COMPANY PROFILE

The Indian motorcycle company has been in existence since 1955. The Indian motorcycle company has been dispersed in to various companies.

Motorcycle companies are one of the fastest growing companies in India. These companies adopt certain techniques to sustain its customers. Its main aim is to satisfy their customers by providing the best motorcycles. These companies adopts several sales promotion techniques to attract more and more customers.

It gives high importance to the advertisement of its motorcycles. Motorcycle companies gives the advertisement in such a way that it attracts the customers and they get motivated by it, and they intend to buy it which will satisfy their needs and wants. Advertisement is one of the important sales promotion strategy. By giving advertisements each and every people will become aware of the motorcycles, and this leads to a good sales.

The demand for motorcycles is always increasing. The demand for these motorcycles is increasing day by day due to various reasons. They are as follows

The demand for two-wheelers has been influenced by a number of factors over the past few years. The key demand drivers for the growth of the two-wheeler industry are as follows:

- Inadequate public transportation system, especially in the semi-urban and rural areas.

- Increasing availability of fuel-efficient and low-maintenance models.
- Increasing urbanization, which creates a need for personal transportation.
- Changes in the demographic profile.
- Difference between two-wheeler and passenger car prices, which makes two-wheelers the entry level vehicle.
- Steady increase in per capita income over the past five years.
- Increasing number of models with different features to satisfy diverse consumer needs.

There are a lot of motorcycle companies in India. Some of the leading motorcycle companies in India are as follows.

1. Hero Honda
2. Bajaj
3. Yamaha
4. Kinetic
5. TVS
6. Honda
7. LML
8. Suzuki
9. Royal Enfield

PRODUCT PROFILE

The various companies manufacture motorcycle of different types. Every motorcycle manufactured will be different from each other containing various features. The various models of these motorcycles are as follows.

1. Hero Honda

- a. Splendor plus
- b. Passion plus
- c. Karizma
- d. Glamour
- e. Ambition
- f. CBZ Extreme
- g. Achiever
- h. CD Dawn

2. Bajaj

- a. Pulsar
- b. Discover
- c. Wind
- d. Boxer
- e. Caliber

- f. Avenger
- g. CT-100
- h. Platina
- i. Eliminator

3. Yamaha

- a. Enticer
- b. Gladiator
- c. Grux
- d. Libero G5
- e. Alba 106
- f. RX-100
- g. RX-135

4. Kinetic

- a. Aquila
- b. Boss
- c. Challenger
- d. Comet
- e. Stryker
- f. Velocity

5. TVS

- a. Victor
- b. Fiero
- c. Apache
- d. Star
- e. Centra
- f. Flame

- g. Taurus

6. Honda

- a. Unicorn
- b. Shine

7. LML

- a. Adreno FX
- b. Beamer
- c. Energy FX
- d. Freedom
- e. Graptor

8. Suzuki

- a. Access 125
- b. Heat
- c. Zeus

9. Royal Enfield

- a. Bullet 350
- b. Bullet 500
- c. Bullet Electra
- d. Bullet Machismo
- e. Bullet Machismo 500
- f. Thunderbird

Motorcycle industries have a wide variety of motorcycles. So the customers have many varieties of motorcycles to choose from as per their convenience, so that their needs and wants will be satisfied. Following are some of the highly used motorcycles.

Model: Bajaj Pulsar (150cc)



Model: Bajaj Pulsar (180cc)



Model: Bajaj Discover



Model: Bajaj Avenger



Model: Bajaj Boxer



Model: Bajaj Platina



Model: Hero Honda Splendor plus



Model: Hero Honda Passion plus



Model: Hero Honda Karizma



Model: Hero Honda CBZ Extreme



Model: Hero Honda Glamour



Model: Hero Honda CD Dawn



Model: Yamaha Enticer



Model: Yamaha Gladiator



Model: Honda Unicorn



Model: Honda Shine



Model: TVS Apache



Model: TVS Fiero



Model: TVS Victor



Model: TVS Centra



Some of the recently launched motorcycles

Model: Hero Honda Hunk



Model: Bajaj Pulsar (220cc)



Model: TVS Flame



Model: TVS Apache RTR



CHAPTER 3

RESEARCH DESIGN

Design of the study

Statement of the problem:

“A study on customer satisfaction towards motorcycles”. This was the study undertaken to know the different aspects of customer views and satisfaction towards motorcycles and to know the various models of motorcycles available in the market.

Objectives of the study:

1. To know about motorcycle industry and its performance.
2. To know the customer satisfaction towards motorcycles.
3. To know the consumer behaviour towards these motorcycles.
4. To know the alternative preferences of the customer.
5. To know the factors influencing the customer while purchasing a motorcycle.
6. To know the various models of motorcycles available.
7. To know the customers opinion on various brands of motorcycles available.
8. To know the weakness in marketing strategies and in adopting promotional activities.

Plan of research:

The plan is to observe the various models of motorcycles available in the market. And to focus on the customers views and satisfactions towards these motorcycles. The research was also able to administer a questionnaire to find out the nuance of motorcycle business.

RESEARCH METHODOLOGY

Marketing research is a key to the evaluation of successful marketing strategies and programmes. It is an important tool to study buyer behaviour and changes in consumer life style, competition patterns, brand awareness and also to forecast changes. Marketing research is also used to study competition and analyze the competitor's position in the market. It is also used to get competitive advantage on its competitor's. Now a days marketing research is being used to help, create and enhance brand loyalty.

In the study undertaken the researcher put to use both primary and secondary data. Primary data is collected through the questionnaire which is prepared by the researcher to collect the required data. Primary data is also collected through face to face interview with the respondents. The secondary data is collected by referring various books, news papers, journals and magazines. Secondary data is also collected through websites and by product profile.

Sources of data

Keeping in view the objectives of the study, a convenient marketing research program was adopted. And the procedure for the study consists of following elements.

Primary source:

- (a) Structured questionnaire.
- (b) Personal interview with the users of motorcycles.

Secondary source:

- (a) Books, news papers, journals and magazines.
- (b) Broachers.
- (c) Websites.
- (d) Product profile.

Plan of analysis

Data collected will be analyzed and interpreted by using simple percentage method and finally the data will be presented by using graphs and charts.

From the proposed study, findings and implementations as well as arriving at a conclusion will be interpreted. The suggestions are also drawn from these data.

Sampling Design

Sample design is the process of obtaining information about an entire population by only examining a part of it. It is the process of learning about the population based on sample drawn from it.

Sample size

A total of 100 respondents were surveyed to gather the information and to accomplish the objectives.

Sample unit

This particular survey is directed only to those respondents who have motorcycles. The sample unit is so determined that everyone in the population has a chance of being sample.

Limitations

Every study has got some limitations. This study was conducted to attain the concrete information and which would serve to focus on the objectives and represent in such a way that the possibility of errors are reduced to minimum and best results are achieved.

The following are the limitations of the study:

1. The sample size is small so as to make concrete suggestion.
2. The research is directly concerned with the study of human preference and is also concerned with its behaviour and satisfactions. So achieving absolute accuracy towards this is not possible.
3. The information collected may not be sufficient and reliable in terms of total market conditions in India, as Bangalore represents only a part of total national market.
4. The time allotted for the study was short.
5. Some of the respondent refuses to fill up the questionnaire. So it becomes difficult to collect the information.
6. As there are users and non users of motorcycles, it becomes difficult to divide the questionnaire.
7. The users of motorcycles are widely spread, hence contacting them is difficult.

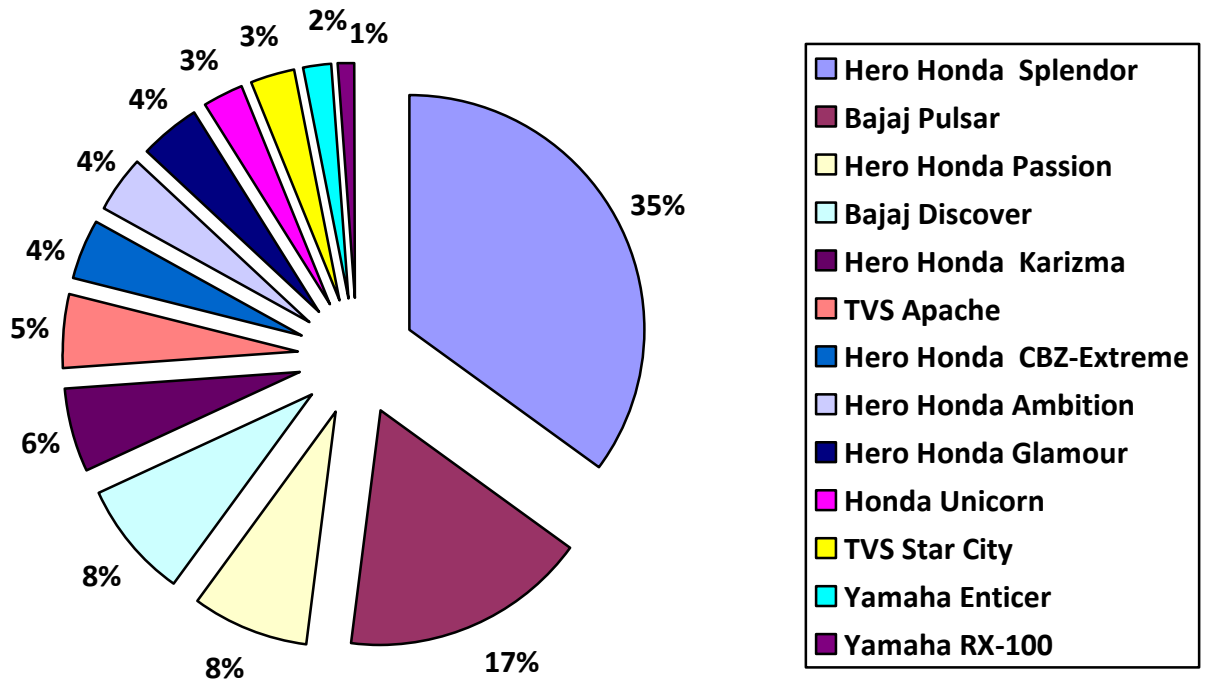
CHAPTER 4

ANALYSIS AND INTERPRETATION

Table 1.1 Classification showing usage proportion of motorcycles

Sl. No	Attributes	No. of Respondents	Percentage
1	Hero Honda Splendor	35	35%
2	Bajaj Pulsar	17	17%
3	Hero Honda Passion	8	8%
4	Bajaj Discover	8	8%
5	Hero Honda Karizma	6	6%
6	TVS Apache	5	5%
7	Hero Honda CBZ-Extreme	4	4%
8	Hero Honda Ambition	4	4%
9	Hero Honda Glamour	4	4%
10	Honda Unicorn	3	3%
11	TVS Star City	3	3%
12	Yamaha Enticer	2	2%
13	Yamaha RX-100	1	1%
	TOTAL	100	100%

Graph 1.1 Classification showing usage proportion of motorcycles

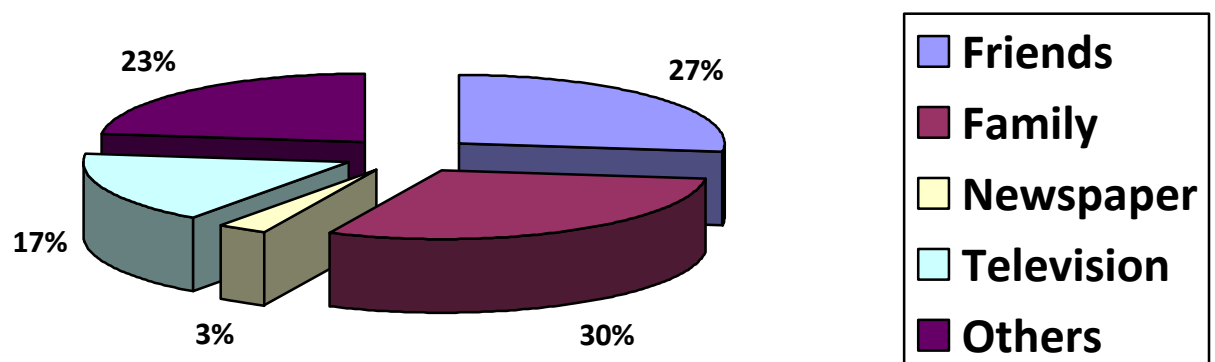


INTERPRETATION: According to the survey it is found that, out of 100 samples about 35% of the people use Hero Honda Splendor and these are majority college students who prefer a good mileage. The user of Bajaj pulsar are 17% who want a good looks and power & pickup. The users of Hero Honda Passion are 8%. Similarly Bajaj Discover are used by 8% of the people according to the survey. Hero Karizma are preferred by 6% of the people who want good looks, style & power and pickup. The user of TVS Apache is about 5%, who prefer a good bike with good attraction. They next follows Hero Honda CBZ Extreme which is about 4%, Hero Honda Ambition 4%, Hero Honda Glamour which is about 4%, Honda Unicorn 3%, Yamaha Enticer 2% and Yamaha RX-100 is 1%.

Table 1.2 Influences to purchase the motorcycle

Sl. No.	Attributes	No. of Respondents	Percentage
1	Friends	27	27%
2	Family	30	30%
3	News paper	3	3%
4	Television	17	17%
5	Others	23	23%
	TOTAL	100	100%

Graph 1.2 Influences to purchase the motorcycle

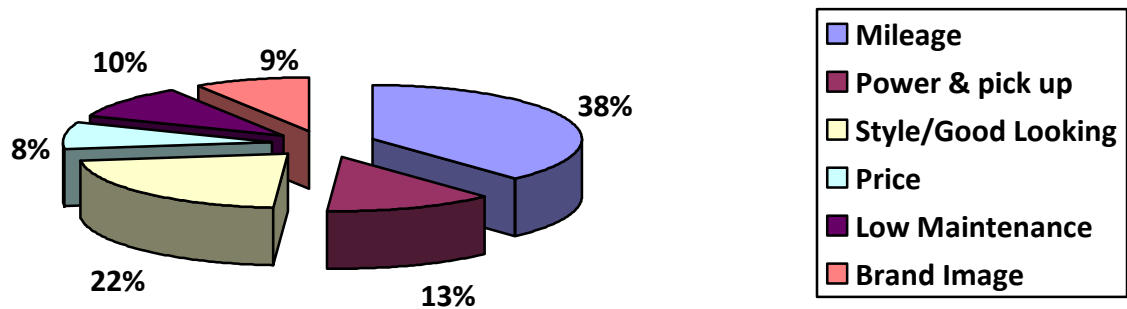


INTERPRETATION: According to the survey it is found that influencing the person to buy the motorcycle, family were dominant which is about 30% is. The friends influence was about 27%. Influence by others with their own decision is 23%. Television influence is about 17%, and influence by newspaper is 3%.

Table 1.3 Reasons to choose this motorcycle

Sl. No.	Attributes	No. of Respondents	Percentage
1	Mileage	38	38%
2	Power & pickup	13	13%
3	Style/Good Looking	22	22%
4	Price	8	8%
5	Low Maintenance	10	10%
6	Brand Image	9	9%
	TOTAL	100	100%

Graph 1.3 Reasons to choose this motorcycle

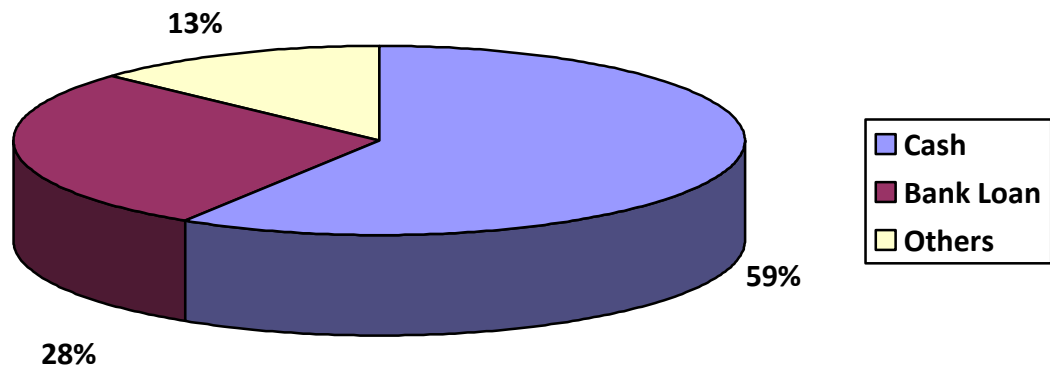


INTERPRETATION: It is found out that the important reason for purchase is the mileage which is about 38%. People who want a good mileage are the users of Hero Honda Splendor. The next follows style and good looking & power and pickup which is about 22% and 13% respectively. The next is the low maintenance 10%, brand image 9% and price is about 8%.

Table 1.4 Mode of Purchase

Sl. No.	Attributes	No. of Respondents	Percentage
1	Cash	59	59%
2	Bank Loan	28	28%
3	Others	13	13%
	TOTAL	100	100%

Graph 1.4 Mode of Purchase

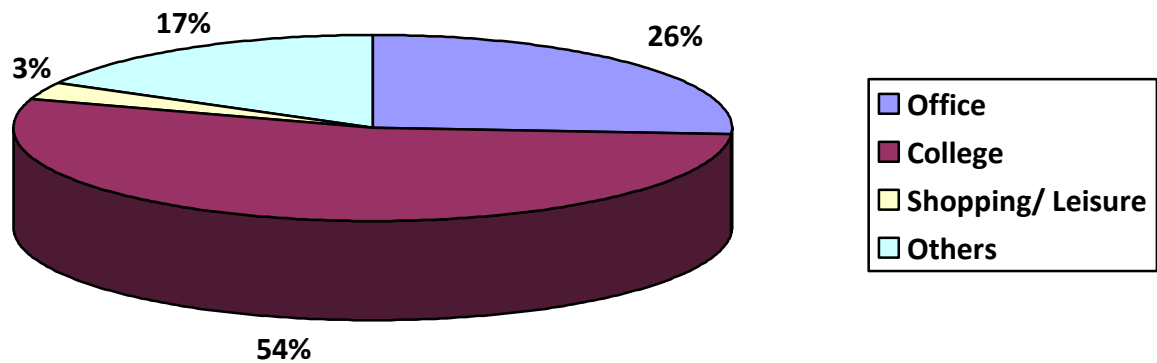


INTERPRETATION: It is found that the mode of purchase of motorcycles were mostly through cash which is about 59%. The mode of purchase of motorcycle by bank loan is about 28% who belongs to low income group, and who would like to pay their amount in installments. About 13% was through others which include employers finance, loan from friends etc.

Table 1.5 Primary usage of motorcycle

Sl. No.	Attributes	No. of Respondents	Percentage
1	Office	26	26%
2	College	54	54%
3	Shopping/Leisure	3	3%
4	Others	17	17%
	TOTAL	100	100%

Graph 1.5 Primary usage of motorcycle

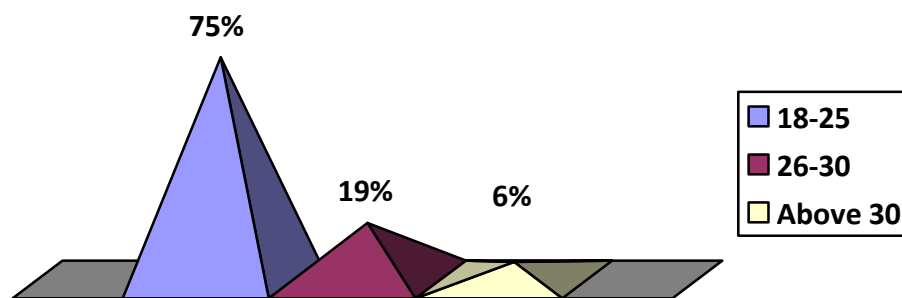


INTERPRETATION: According to the survey conducted the primary usage of the motorcycle bought was for college purpose i.e 54%. The 26% of the people bought the motorcycle for office purpose. Followed by shopping/leisure and others is 3% and 17% respectively. In others specify like dropping the children, for employee convenience.

Table 1.6 Classification based on age group

Sl. No.	Attributes	No. of Respondents	Percentage
1	18-25	75	75%
2	26-30	19	19%
3	Above 30	6	6%
	TOTAL	100	100%

Graph 1.6 Classification based on age group

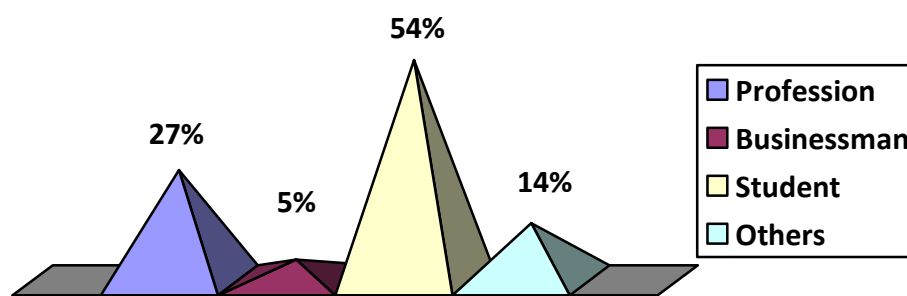


INTERPRETATION: In the study conducted it is found out that the majority (75%) was at the age group of 18-25. This shows that the youngster has more number of motorcycles and this is increasing day by day, and they use it mainly for college purpose. The 19% were at the age group of 26-30, and 6% were at the age above 30.

Table 1.7 Classification based on Occupation

Sl. No.	Attributes	No. of Respondents	Percentage
1	Profession	27	27%
2	Businessman	5	5%
3	Student	54	54%
4	Others	14	14%
	TOTAL	100	100%

Graph 1.7 Classification based on Occupation

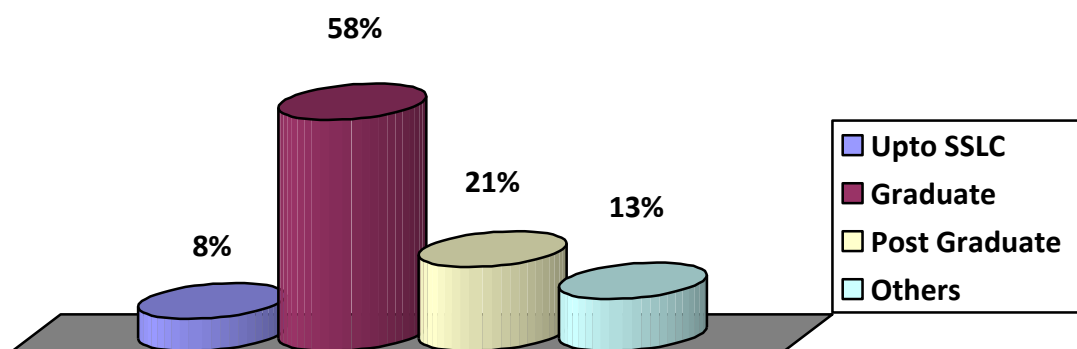


INTERPRETATION: According to the survey conducted it is found out that the majority of the respondents were students that are 54% and 27% were the professionals. Followed by others and businessman i.e. 14% and 5% respectively.

Table 1.8 Classification based on Education

Sl. No.	Attributes	No. of Respondents	Percentage
1	Upto SSLC	8	8%
2	Graduate	58	58%
3	Post Graduate	21	21%
4	Others	13	13%
	TOTAL	100	100%

Graph 1.8 Classification based on Education

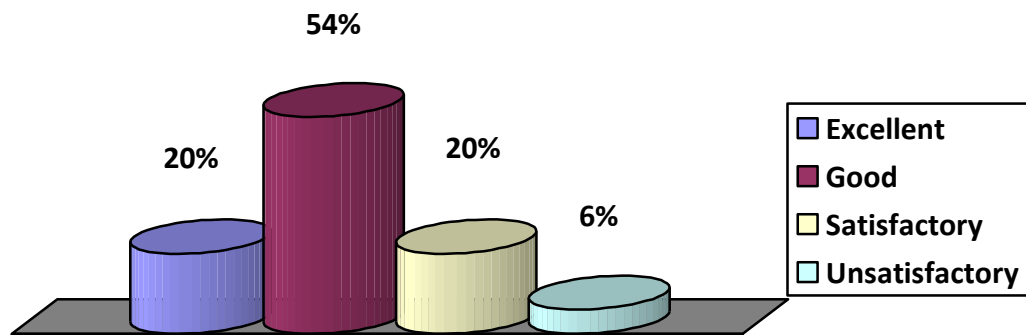


INTERPRETATION: In the study it is found out that the respondents were graduate that is 58% and 21% of them were post graduates. Others were 13% which specifies as under graduates, and 8% have completed up to SSLC.

Table 1.9 Rating for Customer Attention and Care

Sl. No.	Attributes	No. of Respondents	Percentage
1	Excellent	20	20%
2	Good	54	54%
3	Satisfactory	20	20%
4	Unsatisfactory	6	6%
	TOTAL	100	100%

Graph 1.9 Rating for Customer Attention and Care

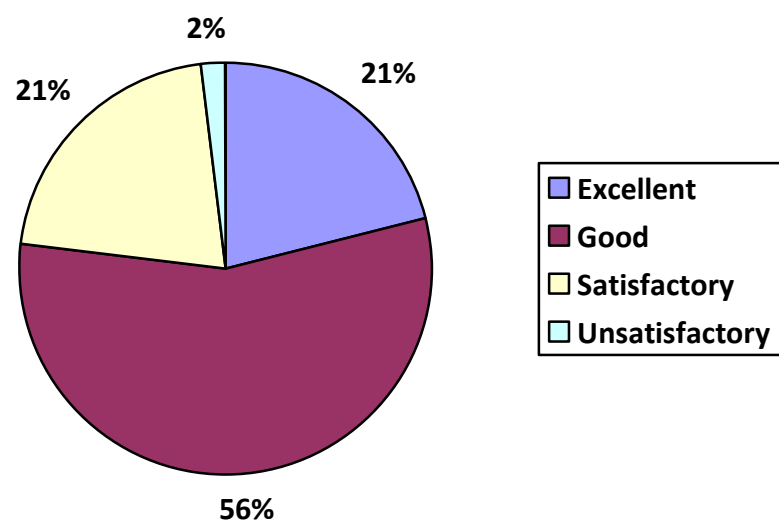


INTERPRETATION: The study conducted showed 54% considered the customer attention and care as good, about 20% as excellent, about 20% as satisfactory and the rest 6% as unsatisfactory.

Table 2.0 Rating for General Service

Sl. No.	Attributes	No. of Respondents	Percentage
1	Excellent	21	21%
2	Good	56	56%
3	Satisfactory	21	21%
4	Unsatisfactory	2	2%
	TOTAL	100	100

Graph 2.0 Rating for General Service

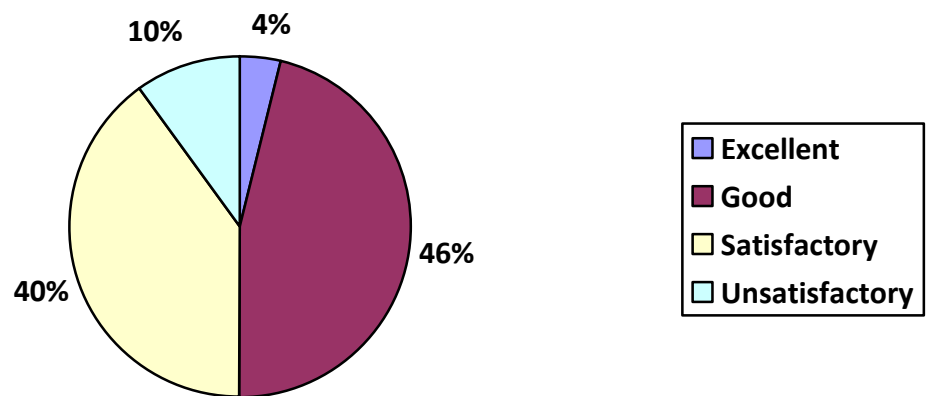


INTERPRETATION: Out of the sample size of 100 respondents, the ratings given for the general service are as follows. About 56% found it good, excellent and satisfactory were rated as 21% and 21% respectively. The rest 2% found it unsatisfactory.

Table 2.1 Rating for Complaints follow-up

Sl. No.	Attributes	No. of Respondents	Percentage
1	Excellent	4	4%
2	Good	46	46%
3	Satisfactory	40	40%
4	Unsatisfactory	10	10%
	TOTAL	100	100%

Graph 2.1 Rating for Complaints Follow-up

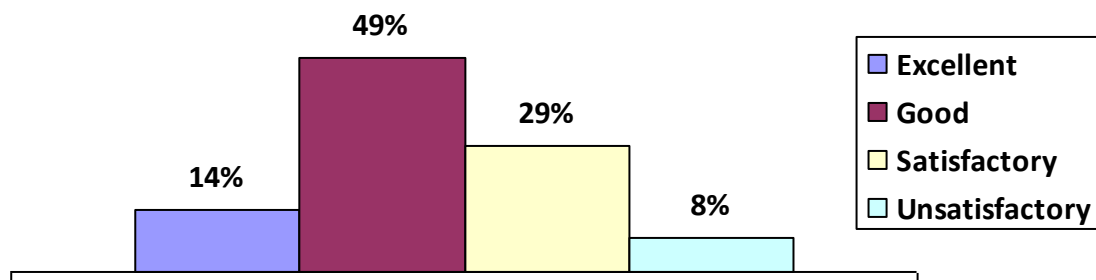


INTERPRETATION: Out of 100 sample size the ratings given for the complaints follow up are, 46% rated it as good, 40% as satisfactory, and the rest 10% and 4% rated it as unsatisfactory and excellent respectively.

Table 2.2 Rating for Delivery at Time

Sl. No.	Attributes	No. of Respondents	Percentage
1	Excellent	14	14%
2	Good	49	49%
3	Satisfactory	29	29%
4	Unsatisfactory	8	8%
	TOTAL	100	100%

Graph 2.2 Rating for Delivery at Time

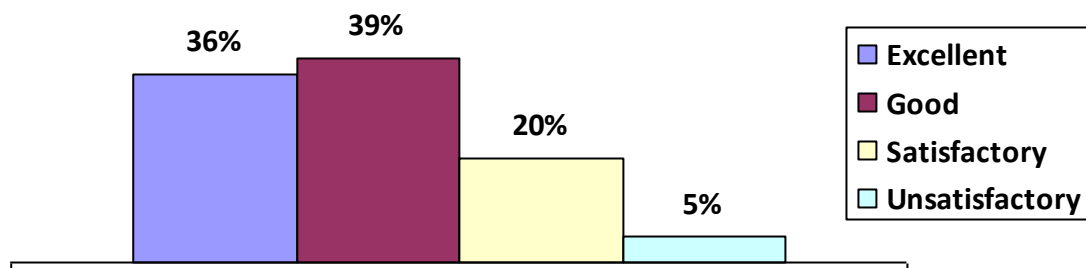


INTERPRETATION: Out of 100 sample size the ratings given for delivery of motorcycles at time are, 49% rate it as good, 29% as satisfactory, and the rest 14% and 8% as excellent and unsatisfactory respectively.

Table 2.3 Rating for Advertisement

Sl. No.	Attributes	No. of Respondents	Percentage
1	Excellent	36	36%
2	Good	39	39%
3	Satisfactory	20	20%
4	Unsatisfactory	5	5%
	TOTAL	100	100%

Graph 2.3 Rating for Advertisement

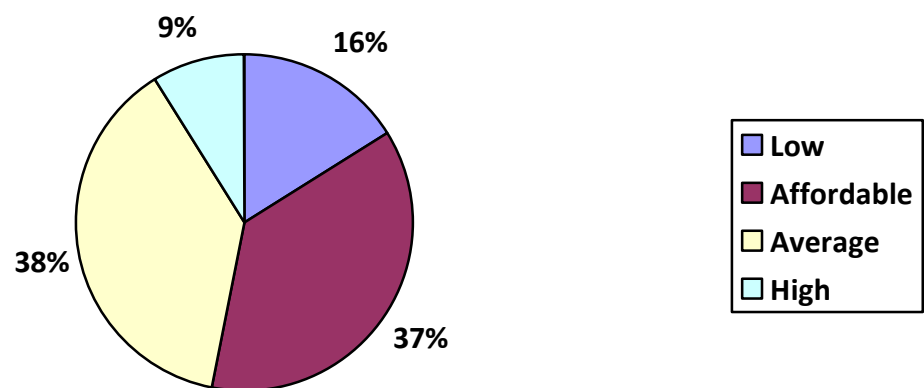


INTERPRETATION: It is found that the ratings given for the advertisements are: 39% good, because usually motorcycles like Bajaj Pulsar and Hero Honda splendor are given good advertisement. So it attracts the customers the most. And 36% says as excellent, 20% satisfactory and the rest 5% says it is unsatisfactory.

Table 2.4 Classification based on Price

Sl. No.	Attributes	No. of Respondents	Percentage
1	Low	16	16%
2	Affordable	37	37%
3	Average	38	38%
4	High	9	9%
	TOTAL	100	100%

Graph 2.4 Classification based on Price

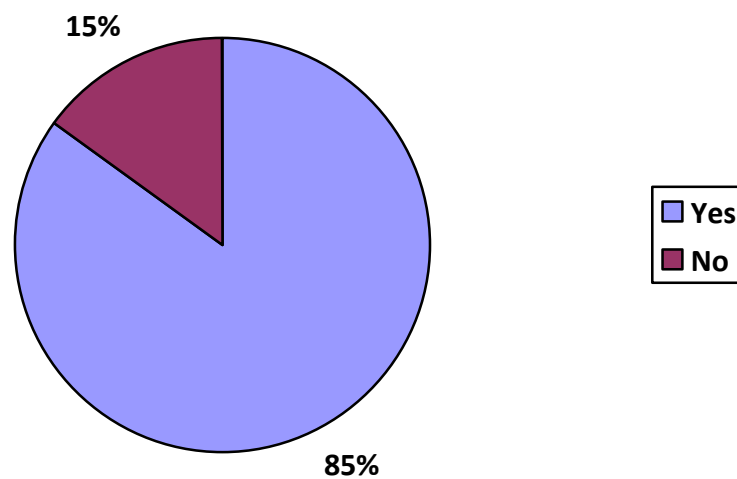


INTERPRETATION: According to the survey it is found out that about 38% of the respondents feels that the price of these motorcycles are on average. The motorcycles like Hero Honda Karizma, TVS Apache and Bajaj Pulsar are available at high prices than other motorcycles because these motorcycles have many more features than other motorcycles. About 37% of the people says it is affordable. And the rest 16% as low and 9% as high.

Table 2.5 Classification based on Satisfaction

Sl. No.	Attributes	No. of Respondents	Percentage
1	Yes	85	85%
2	No	15	15%
	TOTAL	100	100%

Graph 2.5 Classification based on Satisfaction

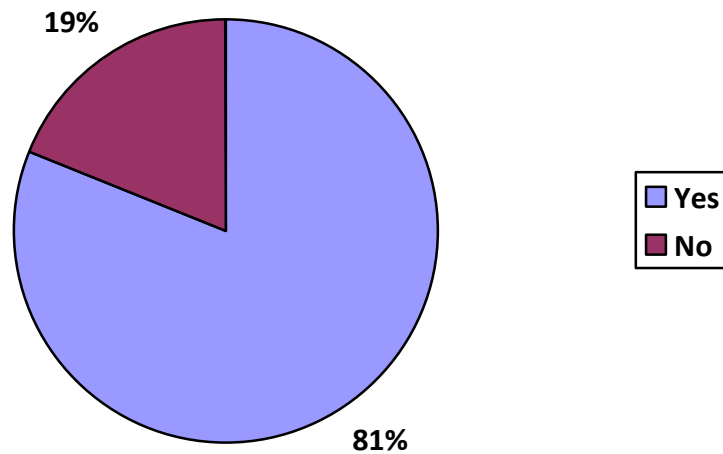


INTERPRETATION: According to the survey it is found out that about 85% of the people are satisfied with their motorcycle and 15% of the people are not satisfied with their motorcycle because of high maintenance cost and low mileage.

Table 2.6 Classification based on Recommendation

Sl. No.	Attributes	No. of Respondents	Percentage
1	Yes	81	81%
2	No	19	19%
	TOTAL	100	100%

Graph 2.6 Classification based on Recommendation



INTERPRETATION: According to the survey it is found that about 81% of the people will recommend their motorcycle to others and 19% of the people says they will not recommend their motorcycle to others because of low pick-up and low mileage.

CHAPTER 5

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS

This project has been done with the sample size of 100 respondents. It is understood that it is not possible to get very accurate results. But the efforts are made to get appropriate results.

1. In the study it is found that out of 100 respondents, as far as usage proportion of different motorcycles are concerned, majority of the customers use Hero Honda Splendor, and Bajaj Pulsar and these are mainly college students and bachelors. The users of Bajaj Discover are mostly low income people who want a good mileage. The users of Hero Honda Karizma, TVS Apache and Hero Honda CBZ Extreme are the people who want a good looks and good power and pickup.
2. In the study it is found that in influencing the person to buy the motorcycle the family were dominant i.e 30%. The influence by others was 23% which contain their decision. The influence by friends was 27%, and television influence was 17% which was by giving wonderful advertisements which motivates the customers to purchase it. Newspaper influence was 3%.
3. It is found that the most important reason for purchase is the mileage which is 38% and these are the users of Hero Honda Splendor. The next follows style/good looking and power and pick up which were the users of Bajaj Pulsar, Hero Honda Karizma, Hero Honda CBZ Extreme and TVS Apache. The next follows low maintenance, brand image and price.

4. It is found that mode of purchase of motorcycles was mostly through cash. It is mostly on cash basis because banks charges a very high interest. In order to save these interest charges the customers purchase these motorcycles on cash.
5. According to the survey conducted the primary usage of motorcycle bought was for college purpose which is 54%. The 27% bought it for office purpose followed by others and shopping/ leisure as 17% and 3% respectively. In others specify like dropping the children, for employee convenience etc.
6. In the study conducted it is found out that the majority (75%) of the people was at the age group of 18-25 and most of them has Hero Honda Splendor, Hero Honda Karizma, Bajaj Pulsar etc. this shows that the young people has more number of motorcycles and this is increasing day by day. 19% were at the age group of 26-30 and the rest 6% were at the age group above 30.
7. According to the survey conducted it was found that the majority of the respondent occupation was student i.e 54% and 27% were the professionals. Followed by others and businessman as 14% and 5% respectively. In others mean like employees, labours etc.
8. In the study it is found out that majority if the respondent were graduates that is 58%. The 21% were post graduates. Others were about 13% and the rest 8% have completed up to SSLC.
9. The study conducted showed 54% of customer attention and care as good, about 20% as excellent and 20% as satisfactory and the rest 6% as unsatisfactory.
10. Out of 100 respondents the ratings given for general service is as follows. Around 56% of the people found it as good, 21% as excellent, 21% as satisfactory and 2% as unsatisfactory. The unsatisfied customers were not happy with the service charges.

11. Out of 100 sample size the ratings given for complaints follow up are: good 46%, satisfactory 40%, unsatisfactory 10% and excellent is 4%.
12. According to the survey the ratings given for delivery of motorcycle at time are: good 49%, 29% satisfactory, 14% excellent and the rest 8% as unsatisfactory.
13. It is found out that the ratings for advertisement are good 39%, excellent 36%. The motorcycles like Hero Honda Splendor, Hero Honda Karizma, Bajaj Pulsar etc are given attractive advertisements which motivates the people to purchase it as per their needs. The customers are satisfactory up to 20% and unsatisfactory 5%.
14. The survey conducted showed that the price of the motorcycle is on an average up to 38% and it is affordable up to 37%. It is low up to 16% and it is high up to 9%. Some of the motorcycle like Hero Honda Karizma and Bajaj Pulsar are priced high.
15. According to the survey 85% of the customer is satisfied with the motorcycle and 15% are unsatisfied. Some of them are unsatisfied because of some problems like high maintenance cost, low mileage etc.
16. According to the survey it is found that about 81% of the people will recommend their motorcycle to others and the remaining 19% will not recommend their motorcycle to others because of some problems like low resale value, high maintenance cost etc.

SUGGESTIONS

1. Since men play a major role in the purchasing decision in the family the motorcycle companies has to concentrate on improving the female segment during its advertisement campaigns.
2. Motorcycle industries have to improve its styling factor and make it more attractive to attract the customers.
3. The fuel efficiency and the maintenance has to be looked upon as major factors influencing the purchase of a vehicle. If the fuel efficiency of the vehicle is low then the customers will intend to purchase it for good mileage.
4. Pricing is also a major factor. With the increase in competition, competitors are doing all they can to improve their sales. Motorcycle industries should see to it that the price range is so attractive that it soothes the eye and catches everyone's attention.
5. More and more discounts and better gifts help in gaining more customers, the company should innovate certain buy back schemes and heavy festival offers to improve its Sales.
6. Motorcycle companies has to learn more from Foreign companies and even take guidance from latest expertise in the field of motorcycles. Motorcycles has to be designed for the various segments of the society like the youth, middle aged men and the senior grades should be made depending on the customer handling capability of the customer. Heavy duty engines and sturdy body make a life span of the motorcycle more. Company should focus on this aspect of the customers need.

7. Customers should be made aware that the companies cares for them and it is the motto of all the companies to help customers to get what they want and procure new spares and gadgets for the better look and performance of the motor cycle.
8. In order to maintain everlasting relationship with its customers, the companies have to provide them with quality product and spares at reasonable price.
9. Good services needs to be recognized and appreciated with better incentives.
10. Some of the customers felt a pinch of long waiting time and hence it is suggested that a simple and systematic system have to be designed to take care of waiting customers.
11. It is suggested that a survey has to be conducted to find out some minor issues that lead customer's dissatisfaction. And based on the survey and feedback a suitable corrective action has to be taken without delay to attract more customers.
12. It is understood that after sales service is poor, and the charges for rendering services is high. So it is suggested that the service pricing strategy has to be reexamined and made attractive, so that more customers will be attracted.

CONCLUSIONS

It was one of the best academic experiences that not only enriches the knowledge about the real life marketing situation but also got an excellent opportunity to apply the various concept learning during the academic section. This project has brought in to light various issues that crop up during the first sale and offering services subsequently to the customer which is very important for the success of the overall performance of the firm. Though it may look trivial, if not handled prudently, they may damage the company's market position severely.

Motorcycle industries have really strived hard to keep their customer satisfied and as a result are able to attract more and more new customers. And these customer's are increasing day by day. In order to keep its customers satisfied the various motorcycle industries have adopted various techniques to fulfill the needs of their customers.

The motorcycle industry's has been able to provide the customers high class service and quality spares at a reasonable price. Whenever a new product is introduced it makes use of its sales promotion scheme in order to boost up the sales and to make the product popular. Providing valuable service and to their customer satisfied have been their motto.

Unfortunately the various motorcycle companies is losing a large number of its customers because a large number of new motorcycles have been launched. So the existing companies needs to take a look in its motorcycles and make necessary changes so that they can retain their customers.

The companies are also losing a large number of its employees. The basic reason is that there is no parity on remuneration. The company needs to take a look into its pay structure and organize it such that the right person does the right job and gets the right remuneration. Employees are one of the important part of the company, so the companies has to retain its employees by providing them better services.

To retain its employees the companies could adopt one or more of the following tools to motivate its employees to perform better.

- Best employee of the month
- Gift vouchers
- Time off
- Certificate
- Trips for employees

It could also look into the option of introducing a reward system to acknowledge service achievements of employees with the combination of cash and non cash rewards. Competitive pay systems should be in accordance with the organizational goals. Some non cash reward or recognition program has to be introduced.

The study and the findings may prove the broad guidelines to improve the present marketing practice, customer handling and service activity. The satisfied customer bring more business to the firm and hence no stone should be kept unturned to ensure that the customer are not only satisfied but also delighted.

ANNEXURE

QUESTIONNAIRE

Raziuddin
MBA 4th sem
Al-Ameen Institute of Management Studies
Bangalore

As per the academic curriculum, I am doing my project work on “Customer Satisfaction towards Motorcycles”.

Please spare a few minutes of your valuable time in answering the following questions.

Name:

Email id:

Phone no:

1. Which motor cycle do you own

.....

2. Who influenced you to purchase this motorcycle

- | | | | |
|---------------|-----|---------------|-----|
| a. Friends | () | b. Family | () |
| c. News paper | () | d. Television | () |
| e. Others | () | | |

3. Reasons for having selected this motorcycle

- | | | | |
|-------------------------|-----|---------------------|-----|
| a. Mileage | () | b. Power and pickup | () |
| c. Style / good looking | () | d. Price | () |
| e. Low maintenance | () | f. Brand image | () |

4. What was the mode of purchase

- | | | | |
|-----------|-----|--------------|-----|
| a. Cash | () | b. Bank loan | () |
| c. Others | () | | |

5. Primary usage of motorcycle bought was for

- | | | | |
|-----------------------|-----|------------|-----|
| a. Office | () | b. College | () |
| c. Shopping / leisure | () | d. Others | () |

6. A few personal questions

A. Your age group:

- | | |
|----------|-----|
| 18-25 | () |
| 26-30 | () |
| Above 30 | () |

B. Occupation:

- | | | | |
|------------|-----|-------------|-----|
| Profession | () | Businessmen | () |
| Student | () | Others | () |

C. Education:

- | | | | |
|---------------|-----|----------|-----|
| Up to SSLC | () | Graduate | () |
| Post Graduate | () | Others | () |

7. How important were the following aspects to you

A. Customer attention and care

Excellent () good () satisfactory () unsatisfactory ()

B. General service

Excellent () good () satisfactory () unsatisfactory ()

C. Complaint follow up

Excellent () good () satisfactory () unsatisfactory ()

D. Delivery time

Excellent () good () satisfactory () unsatisfactory ()

E. Advertisement

Excellent () good () satisfactory () unsatisfactory ()

8. Considering every aspect of this motorcycle the price was

a. Low () b. Affordable ()

c. Average () d. High ()

9. Are you satisfied with this motorcycle

Yes () No ()

10. Will you recommend this motorcycle to others

Yes () No ()

Thank

you

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BIBLIOGRAPHY

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