

“Separation -A Better Tomorrow-Economy”

A Study of Marketing Strategies On Automobile

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Abstract - Automobile is one of the largest industries in global market. Being the leader in product and process technologies in the manufacturing sector, it has been recognized as one of the drivers of economic growth. During the last decade, well directed efforts have been made to provide a new look to the automobile policy for realizing the sector's full potential for the economy. Aggressive marketing by the auto finance companies have also played a significant role in boosting automobile demand, especially from the population in the middle income group.

This study is been conducted to know the different strategic implementation done for the sale increase in automobile company. The study is been scoped to north eastern region comprising of Jorhat, Sibsagar, Kolkata, Dharmanagar, Agartala, Silchar, Shillong, Umsnai and Guwahati City for Hero Moto Corp and Bajaj. The data followed with primary as well as secondary means.

The researcher seeks for the betterment of sales of these bikes and also initiates recommendation related to marketing strategies to help increase their sales.

Keyword: *betterment, economy, marketing strategy and sales*

I. EXECUTIVE SUMMARY

A Nations economy is well known from its transport system. For instant and rapid growth in economy, a well-developed and well-networked transportation system is essential. As India's transport network is developing at a fast pace, Indian Automobile Industry is growing too. Also, the Automobile industry has strong backward and forward linkages and hence provides employment to a large section of the population. Thus the role of Automobile Industry is very essential in Indian economy. Various types of vehicles are manufactured by the Automobile Industry. Indian Automobile Industry includes the manufacturing of trucks, buses, passenger cars, defense vehicles, two-

wheelers. A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. Marketing strategy determines the choice of target market segment, positioning, marketing mix, and allocation of resource. It is most effective when it is integral component of firm strategy, defining how the organization will successfully engage customer, protect, and competitors in the market arena.

Marketing strategies are dynamic and inter active. It may differ depending on the unique situation of the individual business. Various marketing strategies enable a firm to expand business activities for market reputation, to satisfy human wants, to lead to specialization and efficient performance of production function climaxing in economic stability.

On the canvas of Indian economy, automobile sector is one of the cores of Indian industry. Continuous economic liberalization over the years by the Government of India has resulted in making India as one of the prime destination for many global automobile players.

The most obvious object marketers have for promotional activities is to convince customer to make a decision that benefits the marketer. However marketers must understand that getting customers to commit to a decision, such as a purchase decision, is only achievable when a customer is ready to make the decision.

II. OBJECTIVES

A study is been made and the objectives are:

- To study the effectiveness of various strategies undertaken by Bajaj and Hero Moto corp. company to attract maximum number of customers.

- To study the satisfaction level of customers on the after sales services of various company.
- To study the trend in market.

III. LIMITATIONS

A study is been conducted and the limitations are:

- Data was collected on sample basis as such result may not give an exact representation of the population.
- Shortage of time is also reason for incomprehensiveness.
- The views of the people are may be biased therefore it does not reflect true picture.

IV. METHODOLOGY

Research included gathering of both primary and secondary data. Visiting various Dealers and asking them about their promotional strategies and requirement of customers. Query to users of Bajaj and Hero Moto corps about their preference, criteria’s while buying bike and their experience with dealers and their expectations from dealers. Secondary data sources are magazines, internet and journals. The researcher personally delivered the questionnaires to the respondents, at which instance an agreed upon collection date was determined; in most cases it was a week after the distribution of the questionnaire. A cover letter explaining the purpose of the research and assuring respondents of the anonymity and confidentiality of the research accompanied each questionnaire.

V. FINDINGS

As per the first onjective, the findings say that the customers, 42% of Bajaj and 34% of Hero Motocorp became aware about their bikes after seeing advertisement in TV channels. Thus advertisement acts as the best marketing strategy for company. The next best marketing strategy is advertisement in newspapers and magazines whereas others are attracted to Test drive, Road shows, Service check up camps, etc.

TABLE. THE STRATEGIES THROUGH WHICH CUSTOMER’S ARE ATTRACTED

	Bajaj	Percentage	Hero Motocorp	Percentage
Ad In local Newspaper	8	22	6	19
Ad In TV channels	15	42	11	34

Test drive	7	19	7	22
Road shows	2	6	2	6
Service check up camps	1	3	3	9
Distribution of pamphlets	1	3	1	3
Any other	2	5	2	7
Total	36	100	32	100

As per the second objective the findings say that the total respondents 72% of Bajaj and 75% of Hero Moto corp customer’s expectations were met through these brands where as few were unsatisfied.

TABLE. REPRESENTING SATISFACTION OF CUSTOMER’S EXPECTATION

	Bajaj	Perce ntage	Hero Motocorp	Percen tage
Yes	26	72	24	75
No	6	17	5	16
Some extent	4	11	3	9
Total	36	100	32	100

When asked to customers about their expectations from dealers 14% of Bajaj from the total respondents and 9% of Hero replied that they need delivery on time. But the majority of the respondents i.e. 44% of Bajaj and 38% Hero Motocorp expect free accessories from their dealers. Customer’s also needs good service, immediate feedback and detailed information about the bike before purchasing, etc.

TABLE. REPRESENTING CUSTOMER'S EXPECTATIONS FROM DEALER SIDE

	Bajaj	Percentage	Hero Motocorp	Percentage
On time delivery	5	14	3	9
Better services	6	17	8	25
Immediate Feedback	4	11	6	19
Detailed information	5	14	3	9
Free accessories	16	44	12	38
Total	36	100	32	100

As per the third objective the researcher found that most of the customers i.e. 31% and 44% of both the company become aware about their bikes through advertisement on televisions. Friends of customers especially of young generation also have great influence on their buying behavior. 22% and 17% of Bajaj users became aware about the bike through advertisement in newspapers and magazines. 13% of Hero users became aware about their bike through their relatives.

TABLE. REPRESENTING SOURCES OF INFORMATION ABOUT BIKES

	Bajaj	Percentage	Hero Motocorp	Percentage
Newspapers	8	22	2	6
Televisions	11	31	14	44
Magazines	6	17	2	6
Friends	8	22	9	28
Relatives	2	5	4	13
Any other	1	3	1	3
Total	36	100	32	100

It is found that at the time of purchase the main criteria in the mind of customers are Brand, Quality and looks of the bike. Customers stay loyal to Bajaj and Hero Motocorp rather than other brand as they have faith in these brands due to their goodwill, good service and reasonable prices.

It was found that 36% of Bajaj users and 47% of Hero users ranked their bike's performance as excellent. 28% of Bajaj and 34% of Hero Motocorp ranked their bike as very good. 22% and 14% of Bajaj users ranked their bike as good and average respectively. In Hero there are 13 and 6 percent respondents for the same.

VI. ANALYSIS

Bajaj scooters and motor cycles have become an integral part of the Indian milieu and over the years have come to represent the aspiration of modern India.

From the survey of 3 dealers it was found that every dealer positively replied that marketing strategies had helped them to increase the sales of their product. Even 3 Hero dealers also positively replied that marketing strategies helped them to increase the sales of their product. Dealers replied that strategies created awareness and knowledge amongst customers. Bajaj dealers conduct various road shows and service check up camps. They also give advertisements in local newspapers and distribute pamphlets. But the main promotional strategy is the advertisement in TV channels. They give advertisement in newspapers, TV channels, conduct road shows and conduct service checkup camps. Dealers replied that most of the customers are attracted through references and advertisement in TV channels, newspapers. Service check up camps and test drive also helps in attracting more customers. Most of the dealers felt that media promotions are more attractive than other medium because of its mass reach. Hero dealers also had more positive reply for media publicity rather than other mediums. They offer free accessories, after sales service and free fuel filling to their customers. They offer free insurance policy and after sales service to their customers. Dealers rate Pulsar as a no. 1 bike for its complete package. Hero rate Glamour as their no. 1 bike for complete package. Dealers think that such type of marketing strategies helps to attract customer's attention towards their bikes and thus it tries to create awareness amongst customers. Dealers think that because of such strategies many customers get aware about their products and generate enquiries. Dealers think that customers are loyal to Bajaj because of its service, Quality, Brand Name etc. According to them because of its offerings of variety of bikes in all segments and its quality, customers are loyal to Hero. According to

dealers bike sales increases by 40-50% during festive season like Diwali. Hero dealers also replied that there is almost increase of 30-40% of bikes during festive season.

VII. RECOMMENDATIONS

As dealers directly interact with customers, they should maintain proper Customer Relationship Strategy. They should have pleasant behavior so that customers feel comfortable at the time of purchase. They should differ in service benefits and offerings according to the various customers segments. This may include classification on the basis of income group and age group. Dealers should help customers in taking right decision for buying bikes and should give complete information about the bike before purchase. The customers purchasing bike on installment basis, should also be provided with additional accessories as there is in case of cash purchase. Dealers should provide good after sales service and should maintain good relations with customers so that reference can be get and goodwill is created.

Bajaj should introduce some more models like Pulsar and Discover as this sedan model is doing very good in market. Hero Motocorp should think about fuel efficiency in case of upper segment bikes like Karizma, ZMR as these bikes needs more fuels as compared to other bikes in lower segments. Maintenance cost and the availability of the spare parts should also be given due importance by both the companies. They should try to increase their number of dealers and service stations so that customers can get better service. Bajaj as well Hero Motocorp should try to give some good schemes and offers and discounts for their customers. It will help to build trust in customers as competition is increasing day by day.

VIII. CONCLUSION

Bajaj is good in its marketing strategy and shows good results. And as Bajaj has good network of dealers and service centers they are able to provide better after sales services and are able to maintain good relationship with customers which are their strongest point. Bajaj is also benefited with its goodwill and Brand name which is already there in market. So Bajaj can use these as an opportunity to bring new and innovative bike models in market and try to attract more and more customers.

Hero Motocorp strategies of endorsing their products with celebrities have got a very good response but it should advertise better to create a good picture of its products by transferring the key good things about its bikes. Hero motocorp is considered to be most fuel efficient bike on Indian roads. It should also try to increase their service centers so that customers can find it convenient.

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Annexure

Questionnaire to Bajaj's dealer:-

1. Which promotional strategy do you use?
2. Which type of marketing strategy had attracted maximum number of customers?
3. Do you think promotion through media is more effective than any other medium?
4. Which of the Bike model of your company is demanded by customer, the most?
5. While buying Bike what are the main criterions in buyers mind?
6. What offers do you provide to attract more customers?
7. Which Bike model will you Rate as No.1 for its Complete Package?
8. Which other Bike Company do you think is Biggest Competitor for Bajaj?
9. Most of the sales take place on which basis?
10. With which Bank you are tied up for E.M.I system?
11. Do you offer discount to customer on Cash Purchase?
12. Do you think sponsoring reality shows/ cricket match helps in promoting bikes and increase profitability in return?

13. What do you think is the reason behind customer being loyal to Bajaj?
14. How much increment in sales is recorded during festive seasons?
15. If yes than what kind of offers do you provide? Please mention.
16. Does it help in the increment of sales?

Questionnaire to Hero Motocorp's dealer:-

1. Do you think Marketing Strategies helps to increase sales of product?
2. Which promotional strategy do you use?
3. Which type of marketing strategy had attracted maximum number of customers?
4. Do you think promotion through media is more effective than any other medium?
5. Which of the Bike model of your company is demanded by customer, the most?
6. While buying Bike what are the main criterions in buyers mind?
7. What offers do you provide to attract more customers?
8. Which Bike model will you Rate as No.1 for its Complete Package?
9. Which other Bike Company do you think is Biggest Competitor for Bajaj?
10. Most of the sales take place on which basis?
11. With which Bank you are tied up for E.M.I system?
12. Do you offer discount to customer on Cash Purchase?
13. If yes then how much?
14. Do you think sponsoring reality shows/ cricket match helps in promoting bikes and increase profitability in return?
15. What do you think is the reason behind customer being loyal to Bajaj?

Questionnaire to customers:-

- Which Bike do you have?
- For how long do you own a bike?
- How do you come to know about this bike?
- Why do you choose Bajaj/ Hero bike?
- How did you find the bike's performance?
- Has your bike met your expectation?
- If you are satisfied with your bike, do you like to buy Bajaj/Hero again?
- Rank the following attributes as per your preference while selecting the Bike?
- Which marketing strategy has attracted you to buy the bike?
- How did you find dealer service while buying the bike?
- What are your expectations from dealer side?
- Do dealers offer any extra benefits other than company offer?
- If yes than what kind of offers they do provide? Please mention.

