

**A STUDY ON CUSTOMER SATISFACTION AND EXPECTATION OF HERO
HONDA HUNK USERS IN CHENNAI CITY**

by

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Coimbatore – 641 006

A PROJECT REPORT

Submitted to the

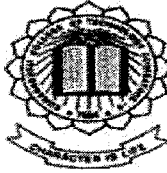
FACULTY OF MANAGEMENT SCIENCES

In partial fulfillment of the requirements
for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

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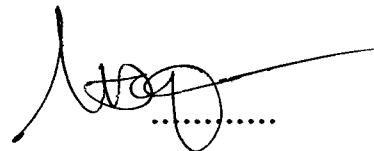
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BONAFIDE CERTIFICATE

Certified that this project report titled “ A STUDY ON CUSTOMER SATISFACTION AND EXPECTATION OF HERO HONDA HUNK USERS IN CHENNAI CITY” is the bonafide work of **Mr. K.VEDAGIRI KALATHY** (Register No.71206631058) who carried out the research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.



Project Guide

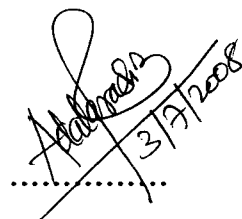


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Evaluated and Viva-Voce held on 3/7/2008



Examiner I



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Examiner II

PROJECT COMPLETION CERTIFICATE

This is to certify that Mr K.VEDAGIRI KALATHY (71206631058) a student of KCT Business School, Kumaraguru College of Technology, had undergone a project between 10.01.08 to 24.03.08 entitled " A Study on customer satisfaction and expectation of Hero Honda Hunk users in Chennai city".

During the tenure his performance was very good.

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M. T. R.
signature

DECLARATION

I hereby declare that this project report entitled, “A Study on Customer Satisfaction and Expectation of Hero Honda Hunk Users in Chennai city”, which was carried out at Nagappa Motors, Chennai, had been undertaken for academic purpose, submitted to Anna University, Chennai, in partial fulfillment of the requirement for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of **Ms.R.Hemanalini MBA, MPhil.**, Lecturer in Management Studies, Kumaraguru College of Technology, Coimbatore during the academic year 2007-2008.

I also declare hereby that the information given in this report is correct to best of my knowledge and belief.

Place: Coimbatore

Date: 03.07.08


(K.VEDAGIRI KALATHY)

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

India has become one of the fastest growing two wheeler markets in the world. In India, the two wheeler industry is flourishing with wide range of services. There are many players in the Indian two wheeler industry viz., Hero Honda, Bajaj, TVS, Honda, Yamaha, Royal Enfield, etc. India, with its high population and development potential, is having one of the fastest growing two wheeler industries in the world.

Against this background, the study was conducted on Hero Honda Hunk at Nagappa Motors, Chennai. The objectives of this study are to determine the customer level of expectation and satisfaction on the use of Hero Honda Hunk. Further, the study attempts to identify the respondent number one characteristic feature for buying Hero Honda Hunk and influence of demographic variables on the bike factors. The study assumes the characteristics of descriptive research. A sample of hundred and fifty customers in Chennai city is selected on convenience basis and data are collected through questionnaire method.

The study reveals that majority of the respondents are students and professionals and with income group between Rs 10,000 and Rs 20,000 per month. There exists a gap between the level of expectation and satisfaction of customers with respect to the bike factors like performance, handling, quality, mileage, reliability, engine and dealer support. As an overall package the bike offers good value for money but still the features offered can be improved. Majority of the respondents choose 'style' as their number one characteristic feature for buying Hero Honda Hunk. The findings of the study have highlighted that the demographic variable viz., age, occupation, income have a significant influence on the level of expectation and satisfaction on Hero Honda Hunk which would enable the marketing to frame suitable strategies to enhance the market share of Hero Honda Hunk.

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INTRODUCTION

CHAPTER 1

INTRODUCTION

1.1 Background

The 150cc premium bike segment is witnessing a high growth in the two wheeler market. This segment is about the style and performance coupled with fuel efficient motorcycles. Hero Honda motors and Ltd offers Hunk in this segment. This research is to find out the level of customer satisfaction and expectation of the Hero Honda Hunk users in Chennai city, so that Nagappa Motors, the dealership for Hero Honda motors and Ltd in Kellys, Chennai city, can improve the level of customer satisfaction and also make the company aware about the customer's expectation from the Hunk motorcycle.

1.2 Review of literature

This section deals with Review of literature collected from various sources.

Payal Jain (2008)^[1] has conducted a study on Automobile Industry in India. The study consists of Innovation and new product launches which are major factors for the driving growth in sales of cars. Maruti has been able to beat the industry in terms of growth on the back of a wide range of models, new product launches and introduction of new variants to existing models. A wide distribution & service station network is a key to growth in India. Maruti has managed well on this front. Tata Motors' 1 lakh car is expected to hit the markets soon. Rising prices of metals and consequent pressure on input costs remains an area of concern. But Indian auto makers have been able to pass on the rise, till date, to the end users. Ability to pass on such input cost hikes in the future remains critical to the industry's survival. However, as interest rates are expected to have peaked in India, the automobile sector is expected to witness strong growth in the growth of the Indian automotive industry and improve its share in global markets too.

Growing demand for low-cost vehicles in developing countries like China and India are driving the sales of passenger cars. This offers immense opportunities for global

^[1] Payal Jain (February 11, 2008) 'Automobile Industry in India-Part II', in Cars &

players in these economies. Besides these, saturating markets in the developed countries and increasing preference for used cars are the major problems in developed automobile markets which force them to look into emerging economies. From the long-term perspective too, just cheap financing and price discounts will not drive the developed markets because they do not create demand. China and Russia are already experiencing a boom phase in their auto industry. The auto sales volume in Chinese market has exceeded 7 million units during the April 2007 to Nov 2007 period, recording an overall growth of more than 20% over the same period a year ago. It is expected that auto production and sales for the year 2007-08 will surpass 9 million units. This makes China the second largest auto market in the world. Under the premise that other big markets are shrinking and new markets are growing slowly, all the auto manufacturers in the world will naturally keep their eyes on the fast-growing Chinese market.

Upcoming Projects

GM plans to increase its 'Spark' mini car production in India to 30,000 - 35,000 units in 2008 from the current levels of 17,000 - 18,000 units. Honda has plans to set up a manufacturing unit in Rajasthan at a cost of around US\$ 250m with a capacity to produce 60,000 cars in the initial phase. BMW is chalking out expansion plans in India. The company is considering importing and launching more brands in India like the 3-series Convertible and Coupe and the new X6 hybrid concept. Volkswagen has revealed its plans for India, including a wide range of models, from small cars to super-luxurious cars. Volvo has tied up with Eicher Motors to market its trucks in India. Hero group of India has also tied up with global auto major Daimler to manufacture vehicles in India.

Shekhar v Sawant (2007) ^[2] had published a journal on 'Buying Two Wheelers: A Changing Scenario'. This consists of understanding consumer behavior in the present scenario is extremely important as it is no longer a simple task. Now the consumer is considered to be the King. He is the price-maker and not price-taker. In the last two decades, significant changes have taken place as far as the two wheeler industry is concerned.

[2] Shekar v Sawant, (September 2007), 'Buying Two Wheelers: A Changing Scenario',

Earlier, there used to be a few two wheeler manufacturers who held a monopoly. However, this situation has changed with the entry of other competitors, especially after liberalization and globalization. The foreign collaboration saw production going up tremendously-due to the availability of many alternative choices, consumer preferences and needs changed. Suddenly, the buyer came into focus. Hence, this study makes an attempt to know the changes in the two wheeler markets and buying motives of two wheeler buyers. The study was conducted by using the survey method. With the help of information that was provided by the managers of different marketing agencies, an interview schedule was prepared. It was administered on 100 randomly selected consumers. The study revealed the consumer preference and ownership pattern and the sources of information they used to make the purchase decision, and importance given to various evaluation criteria. The study will help two wheeler manufacturers to take care of significant factors while designing a new product as well as promoting it.

Virupaxi Bagodi, Biswajit Mahanty (2007)^[3] had analysed the service quality of two-wheeler service in India to capture the potential market with more than 55 million two-wheelers moving on Indian roads. Accordingly, two-wheeler service sector should have generated revenue amounting to INR 100,000 million per year. In reality, this has not been realised in the organised service sector. Hence, this paper focuses on understanding whether the Indian two-wheeler service industry has considered servicing as a line of business.

To carry the analysis, a questionnaire survey was conducted using the modified SERVQUAL. An initial pilot study was aimed at understanding the attributes in Indian context, which was followed by a structured survey^[3] that received the response of 510 customers spread over India. Each attribute is analysed (micro analysis) in detail, while the exploratory factor analysis indicates the emergence of five factors, namely, reliability and responsiveness, assurance and empathy, convenience factor, and tangibles and financial factor. Each of these five dimensions has also been analysed (macro analysis).

^[3] Virupaxi Bagodi, Biswajit Mahanty, (2007), 'Analysis of service quality of two-wheeler service in India: to capture the potential market', International Journal of Services and Standards, Vol. 3, No.1, pp. 39 - 63.

It was found that providing conveniently reliable services is most important in two-wheeler services in India to capture the market.

Virupaxi Bagodi, Biswajit Mahanty (2007)^[4] had explored the operational strategies for two-wheeler service centres using discrete-event simulation. The Two-wheeler service centres face the problems of random arrival of the vehicles that leads to demand in excess of capacity or under utilisation of the capacity. Managements of the service centres are often, found to be reactive to such situations. Such situations have led to higher work-in-progress at the centres, which has led to more waiting time for the customers. This paper focuses on modelling and simulation of the current practices at the service centres to analyse and understand the drawbacks. Various configurations are identified, simulated and are discussed, highlighting the necessity of capacity addition, customer convenience and service quality. The factors that enable the business to grow and satisfy the management and the customers are identified and presented.

Virupaxi Bagodi, Biswajit Mahanty (2007)^[5] had published a journal on 'Unfolding the learning disabilities using qualitative analysis: the two-wheeler service sector in India'. The success of two-wheeler manufacturers in India depends on the competitive advantage gained by them through the after-sales services. Providing and maintaining customer satisfaction in the face of rapid changes in technology is a difficult task. While timely addition of capacity and upgrading of technical manpower are essential preconditions, the achievement of customer satisfaction requires an integrated approach. Many causal loops are identified through field study to unfold the learning disabilities that are prevalent in the service sector. This paper presents a qualitative analysis of these powerful feedback loops, essential for after-sales services.

^[4] Virupaxi Bagodi, Biswajit Mahanty,(2007), Exploring the operational strategies for two-wheeler service centres using discrete-event simulation, International Journal of Services and Operational Management , Vol. 3,No.1.

^[5] Virupaxi Bagodi, Biswajit Mahanty, (2006), Unfolding the learning disabilities using qualitative analysis: the two-wheeler service sector in India, International Journal of

Sanjay kumar singh (2005)^[6] had conducted a study viz his project entitled, 'Future mobility in India: Implications for energy demand and CO₂ emission'. The aim of this study is threefold. First, it aims to provide a reliable data set of land-based passenger traffic volumes in India from 1950–1951 to 2000–2001 for the five major motorized modes of transport—two-wheelers, cars, auto-rickshaws, buses, and railways. Second, based on this data set, it aims to estimate the long-term trends in motorized traffic volume and modal split up to the year 2020–2021. Third, based on the projected values of aggregate traffic volume and modal split, this study aims to estimate the level and growth of energy demand and CO₂ emission from the passenger transport sector in India. It is found that the motorized traffic volume in India will very nearly touch the mark of 13 000 billion passenger-kilometers in 2020–2021, out of which 91.7% will be provided by the roads and the rest by railways. If there is no reduction in modal energy and CO₂ intensities, energy demand is projected to increase from 1060.8 peta joules in 2000–2001 to 5584.4 peta joules in 2020–2021 and CO₂ emission will increase from 19.80 to 93.25 million metric tons of carbon equivalent during the same period.

Maheswari, Shushmul (2005)^[7] had conducted a market research report viz her project entitled, 'Indian Automobile Industry: An Analysis (2005-2010)'. The Automotive Industry in India is now working in terms of the dynamics of an open market. Many joint ventures have been set up in India with foreign collaboration, both technical and financial with leading global manufacturers. Also a very large number of joint ventures have been set up in the auto-components sector and the pace is expected to pick up even further. The Government of India is keen to provide a suitable economic, and business environment conducive to the success of the established and prospective foreign partnership ventures. \$5.7 billion is the investment envisaged in the new vehicles projects.

[6] Sanjay Kumar Singh (sep 2006), Transport policy, 'Future mobility in India: Implications for energy demand and CO₂ emission', Vol. 13, Issue 5, pp. 398 - 412.

[7] Maheswari, Shushmul, 'Indian Automobile Industry: An Analysis (2005-2010)',

The market research report, "Indian Automobile Industry - An Analysis (2005-2010)" clarifies all doubts regarding sales satisfaction index and customer satisfaction index. With the inclusion of initial quality study, and the Government policy and competitive analysis, this report in itself is a complete guide to the producers and consumers in the auto industry.

Report Highlights

Examines the production, sales, and export growth rates of the sector, along with a mention of the major manufacturers, identifies the opportunities for foreign companies in terms of exports, technology transfers, strategic alliances, financial collaborations and JV's, in the Indian vehicle sector.

- The component-wise share of production is assessed.
- Assessment of the implications of vehicle emissions
- Porter's Five Forces Analysis of the Industry
- Demand forecasts till 2010.
- An overview of the major changes occurring in the Indian market
- A study of the market access strategies for companies
- An insight into the profiles of big players of the Indian automotive sector

V. Ravi and Ravi Shankar (2005)^[8] ascertained through the paper, entitled 'Analysis of interactions among the barriers of reverse logistics'. The aim of this article is to analyze the interaction among the major barriers, which hinder or prevent the application of reverse logistics in automobile industries. A key task of top management is to diagnose those barriers of reverse logistics that could be crucial to the survival of the organization in the future. Existing models have focused on diagnosing these barriers independently. As a result, we lack a holistic view in understanding the barriers that hinder reverse logistics. This paper utilizes the Interpretive Structural Modeling (ISM) methodology to understand the mutual influences among the barriers so that those driving barriers, which can aggravate few more barriers and those independent barriers, which are most influenced by driving barriers are identified.

^[8] V. Ravi and Ravi Shankar (oct 2005) 'Analysis of interactions among the barriers of

By analyzing the barriers using this model, we may extract crucial barriers that hinder the reverse logistics activities. It can be observed that there are some barriers, which have both high driving power and dependency, thus needing more attention. An actual example of a small case automobile company provides some managerial insights into the methodology. Finally, the implications for practice and future research are discussed.

Azaddin Salem Khalifa (2004)^[9] had published a research paper, entitled 'Customer value: a review of recent literature and an integrative configuration'. The concept of customer value is becoming increasingly used in strategy and marketing literature in recent years. Customer value is considered central to competitive advantage and long-term success of business organizations. Consequently, a great importance attached to this concept. This paper attempts to build an integrative configuration of the concept of customer value that reflects its richness and complexity. It reviews, synthesizes and extends the literature on the subject. The configuration includes three complementary models, namely: customer value in exchange, customer value buildup, and customer value dynamics. Thinking about customer value in this way is helpful in the designing of and studying service offerings.

G.S. Dangayach and S.G. Deshmukh (2003)^[10] had published a paper entitled, 'Evidence of manufacturing strategies in Indian industry'. This paper presents findings of an extensive survey of Indian manufacturing companies. The survey encompassed four sectors: automobile, electronics, machinery, and process industry. Various manufacturing strategy issues (such as competitive priorities, order winners, and activities of improvement) have been identified and assessed in Indian context. Sector wise comparison of competitive priorities, order winners, and activities of improvement (advanced manufacturing technology, integrated information systems, and advanced management systems) is provided.

^[9] Azaddin Salem Khalifa, (2004), 'Customer value: a review of recent literature and an integrative configuration', *Journal-Management Decision*, Article type-Research Paper, Vol.42. Issue 5, pp.645-666. ^[10] G. S. Dangayach and S. G. Deshmukh ,(mar 2003), 'Evidence of manufacturing strategies in Indian industry: a survey', *International Journal*

Our results showed that most of the Indian companies are still emphasizing on quality; however, automobile sector has set to compete globally with high innovation rate, faster new product development, and continuous improvement. Manufacturing competence index is also computed for each sector.

Sujit Das, Rick Schmoyer, and Glen Harrison (Oct 2001)^[11] had published a journal on 'Prospects of Inspection and Maintenance of Two-Wheelers in India', two-wheeler vehicles in Delhi, India-roughly 70% of the total vehicle fleet-are responsible for a significant portion of the city's vehicle emissions and petroleum consumption. An inspection and maintenance (I/M) program that ensures vehicle emission control systems are well maintained can complement other emission reduction strategies. This paper presents the initial findings of extensive data collected on vehicle characteristics and emissions for two-wheeler vehicles operating in Delhi in a series of I/M camps conducted by the Society of Indian Automobile Manufacturers and various partners in late 1999.

The analysis shows idle HC and CO emissions [measured in terms of parts per million (ppm) and volume % (vol %), respectively] in a slow declining trend with subsequent model years, reflecting tighter emission standards and more advanced emission technologies. The I/M benefits- 3 vol % and 39% reduction in idle and mass CO, respectively; 40 vol % and 22% reduction in idle and mass HC, respectively; and a 10-20% increase in fuel efficiency- were higher than those reported in the literature. Although these benefits are substantial, any implementation strategy needs to consider cost-effectiveness. In the present study, only 10% of vehicles-contributing 22% of the total vehicle emissions-failed the idle CO standard. Fleet emissions data variability necessitates a large sample size to develop a baseline for the vehicle fleet, but a smaller, scientifically designed sample and better data collection quality could periodically track the benefits at future camps.

Implications

We find that an I/M program for two-wheeler vehicles in Delhi can reduce air pollution and petroleum consumption. The analyzed data shows that vehicle maintenance at inspection camps reduced two-wheeler's idle CO by 3 vol % and idle HC by 40% and increased fuel efficiency 10-20%.

^[11] Sujit Das, Rick Schmoyer, and Glen Harrison, (Oct 2001), 'Prospects of Inspection and

With only 10% of vehicles failing Delhi's CO standard, cost-effectiveness is a concern for any I/M strategy. Data indicate that targeting older vehicles for inspection may not be appropriate. Developing baseline data for a fleet requires a large sample, but benefits can be tracked with smaller samples and improved data collection quality control.

Rajesh B. Biniwale, N.K. Labhsetwar, R. Kumar, M.Z. Hasan (2001)^[12] had conducted a study, entitled 'A Non-Noble Metal-Based Catalytic Converter for Two-Stroke, Two-Wheeler Applications'. Two wheelers constitute almost three-fourths of the vehicular population in developing countries like India, and consequently they are the major contributors to vehicular pollution. Catalytic converters based on non-noble metal catalyst have been developed for 2-stroke, 2-wheelers application. In this study, a modified and thermally stable alumina washcoat has been developed for application of non-noble metal catalyst. Alumina washcoat has been used on both ceramic and metallic honeycomb substrates and subsequently the perovskite type of catalyst has been synthesized in-situ on alumina washcoated substrates. Extensive characterization was carried out during development of alumina washcoat and synthesis of perovskite catalyst to establish the thermal stability of alumina washcoat and phase formation of catalysts. A number of prototypes based on alumina-supported perovskite have been prepared and tested for mass conversion efficiency with respect to CO, HC, and NOx. The results reveal the confirmation of performance of converter for EURO-I emission norms, which are presently applicable in India for 2-stroke, 2 wheelers. The optimized design of converter minimizes the pressure drop across the converter and the power loss of the engine is well within tolerable limits.

Scope Marketing & Information Solutions Private Limited (2001)^[13] had confirmed that the automobile industry is one of the core industries in India economy. Whose prospect is reflective of the economic resilience of the economy. With the liberalization of the economy, India has become the playground of global automobile majors. This industry report of SCOPE MARKETING & INFORMATIONS SOLUTIONS PVT LTD provides extensive information on the Indian Automobile Industry.

[12] Rajesh B. Biniwale, N.K. Labhsetwar, R. Kumar, M.Z. Hasan, (Mar 2001), 'A Non-Noble Metal-Based Catalytic Converter for Two-Stroke, Two-Wheeler Applications'.

The automobile industry in India is gradually evolving to replicate those of developed countries. The report focuses on the trends that are emerging in the industry across segments, namely, passenger cars/multi-utility vehicles, commercial vehicles, two-wheelers and tractors. The qualitative analysis of various trends reveals that the industry offers immense scope even for allied industries and those looking at investing in the auto industry.

The report features a crisp look at the evolution as well as its importance to the Indian economy. As a background, a brief perspective of the global automobile industry across segments has been provided with comparisons on Indian scenario wherever needed. The report discusses the current scenario in the industry, with detailed look on segmentation, structure, and supply and demand scenarios. A detailed competitive analysis of the industry has been provided with comprehensive details on production, sales, exports and imports over the years, across segments. The emerging trends in the industry across the various segments namely passenger cars/multi-utility vehicles, commercial vehicles, two-wheelers and tractors have been discussed in depth. Factors that drive the demand and revenues across segments have been pictured. The financial performance of the industries such as TELCO, Ashok Leyland Ltd, Hindustan Motors Ltd, Hero Honda Motors Ltd, TVS Suzuki Ltd, Bajaj Auto Ltd, M& M Ltd, Punjab Tractors Ltd etc has been discussed. The report concludes by giving insights on scenarios that are likely to emerge in the near future.

Sunila George, Raghbendra Jha , Hari K. Nagarajan (2000)^[14] studied the evolution of the competitive structure of the two-wheeler industry in India. The evolution of the industry's competitive structure is traced using Kendall's Index of Rank Concordance and the Evans-Karras test of convergence. The industry seems to be characterized by oligopoly with the onset of economic reforms without making much difference to industrial structure. Convergence of sales and capacity is conditional at the industrial level while it is absolute at the segment.

^[13] Indian Automobile Industry, (2001), 'Indian automobile industry', Published by Scope Marketing & Information Solutions Private Limited.

^[14] Sunila George, Raghbendra Jha, Hari K. Nagarajan.(Aug 2000), 'The Evolution and

Agarwal, Om Prakash^[15] made an observation about the mid-1980s marketing situation. India has witnessed a rapid growth in the number of motor vehicles, driven primarily by the demand for motorized two-wheelers (M2Ws). These vehicles have served a very useful purpose, especially for the lower middle class, in offering easy and flexible mobility at costs that are much lower than those of a car. However, their affordability and extensive use have imposed high social costs in terms of air pollution, high accident fatality rates, and possibly road congestion. Therefore, there is a case for public regulation of M2Ws. This paper looks at the regulatory systems and practices currently in place, with a view to identifying gaps. It finds that fragmented policy making and uncoordinated regulatory efforts spanning multiple agencies and jurisdictions are serious gaps that must be filled. It concludes that reforms in the current systems of governance that devolve greater authority to the city level, qualitative improvements in the public transport system, and legal provisions that specifically address the needs of urban areas would be appropriate strategies to adopt.

J. Ramachandran and Sanjeev Sehrawat (1996)^[16] were of the view that the two wheeler industry in India had become very competitive and became a battle ground for global players. During 1995, the growth of the Indian two wheeler industry had crossed the 2 million mark. The growing industry led the way for a supportive Indian policy environment wherein the international companies were being encouraged. The study is an overview of the Indian two wheeler industry in the competitive market place.

Against this background of literature, study has also been conducted to know the customers satisfaction on Hero Honda Hunk users in Chennai City.

^[15] Agarwal, Om Prakash 'Regulation of Motorized Two-Wheelers in India', pp 29-36.

^[16] J. Ramachandran and Sanjeev Sehrawat, (1996), 'The Two Wheeler Industry In India:

1.3 Statement of the problem

The satisfaction of the customer is an important aspect to any of the service provider. Moreover, a high competition exists in the Indian two wheeler industry. Therefore, this study is undertaken to find out the level of the customer satisfaction of Hero Honda Hunk users in Chennai city.

1.4 Objectives of the study

- To identify the profile of Hero Honda Hunk users.
- To determine the customer's level of expectations and satisfaction on the Hero Honda Hunk users.
- To analyze the influence of the demographic variables on the level of expectations and satisfaction.
- To provide suggestions based on findings.

1.5 Scope of the study

This study shall make the Hero Honda company aware of various expectations of the customer's, so that the company can bridge the gap between the customer expectation from the product and the actual product delivered. Satisfying the needs and addressing their expectations will enable the company to increase their sales.

1.6 Research Methodology

1.6.1 Research design

The study adheres to descriptive research design to gain valuable insights on the satisfaction level and expectation of the Hero Honda Hunk users. The research also seeks to ascertain the gap between the expectation and satisfaction of the customers, influence of the demographic variables on the level of expectation and satisfaction of the customers.

1.6.2 Sample design

Non probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population is included in the sample. The items in the population are selected deliberately. The personal element has a

conducted with the showroom customers and a marketing campaign of Hunk in colleges, so population is distributed widely. Here convenience sampling technique has been used.

1.6.3 Method of data collection

Primary data was collected by survey method. Questionnaire survey was conducted to learn about the customer satisfaction, expectation and their personal profile. Questionnaire with a set of questions was presented to the respondents for their answer.

1.6.4 Sample size and area of data collection

From the population the sample of 150 has been selected for the study. The sample has been selected from the brand bike users in Chennai.

1.6.5 Tools of analysis

The statistical tools for analysis are,

- Percentage analysis
- Mean score analysis
- Chi square analysis

1.7 Limitations

- The sampling method was a non-probability sampling method. Therefore the results of the survey might not be accurate.
- Some of the respondents were hesitant in spending time on the questionnaire.

1.8 Chapter scheme

The present study has been classified in five different chapters.

Chapter 1 deals with background study, review of literature, objective & scope of the study, methodology and limitations.

Chapter 2 reveals history of the organization, management, service profile, product profile, various functional areas, etc.,

Chapter 3 focuses all macro and micro analysis of the study.

Chapter 4 illustrates the data analysis & interpretation through representation of tables.

Chapter 5 affirms the result, discussion, and recommendations provided for the study.

ORGANISATION PROFILE

CHAPTER 2

ORGANISATION PROFILE

2.1 History of the Organisation

Nagappa Motors (P) Ltd. was founded by Dr.M.Palaniappan, a Child Specialist in April 1988 as a sole Proprietorship. The responsibility of Board of Directors is shouldered by the family members. During its infancy, Nagappa Motors was merely selling the spare parts of Hero Honda. Later, they got the dealership privilege from Hero Honda and started marketing Hero cycles and then all Hero Honda products in their showroom. In spite of its humble beginning, Nagappa Motors has expanded its showrooms at two different places viz., the one at Kellys and another fully automatic within the premises at Purasawakkam.

The showrooms employ roughly about 80 employees, paying them the monthly salary with other perks like incentives, bonus etc based on their performance in sales and service.

2.2 Management

The management consists of :

Board of directors

- Dr.M.Palaniappan
- Mrs.P.Alamelu
- Mr.P.Muthu palaniappan

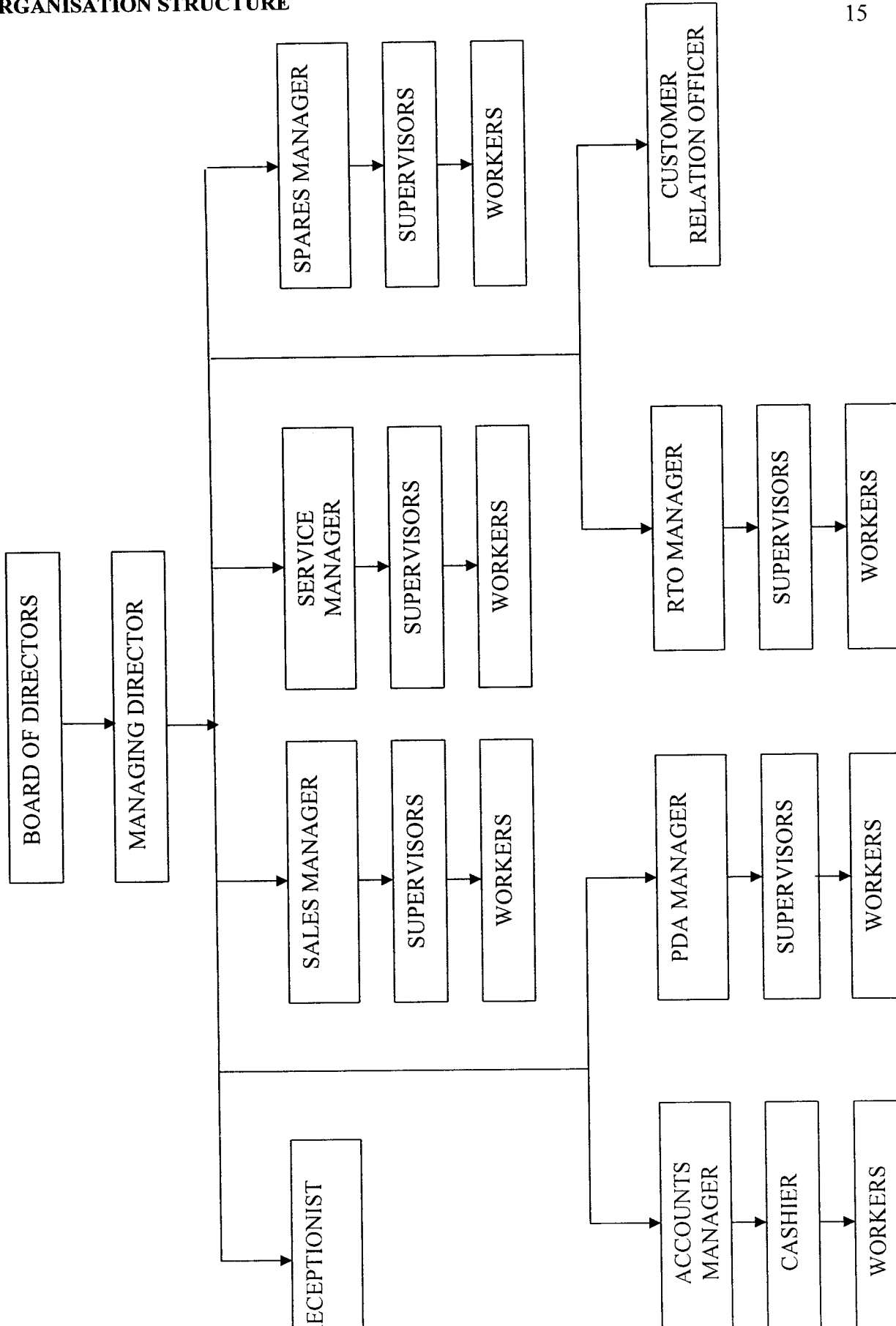
Managing director

- Mr.P.Muthu palaniappan

Signing authority

- Dr.M.Palaniappan

Figure 2.1 ORGANISATION STRUCTURE



2.4 Product profile and Market potential

The organisation consists of Hero Honda vehicles and Hero Honda genuine spare parts to satisfy their customer. They are as follows,

- CD DAWN
- CD DELUXE
- PLEASURE
- SPLENDER +
- SPLENDER NXG
- PASSION PLUS
- SUPER SPLENDER
- GLAMOUR
- CBZ X TREME
- HUNK
- KARIZMA

They are in the second place of Hero Honda dealer in Chennai. Their sales are 1000 units/ month and their sales turnover per month is Rs. 3, 85, 00,000.

- | | | |
|-----------------|---|-----------------|
| 1. SPLENDER + | - | 400 units/month |
| 2. PASSION PLUS | - | 400 units/month |
| 3. OTHERS | - | 200 units/month |

2.5 Competitive strength of the company

Brand name

NAGAPPA the brand name is very popular around the city for its sales and service.

Location

Nagappa Motors is located at the heart of the city which helps them to increase

Financial support

They have tie ups with ICICI, HDFC, Citi Finance, National insurance and Prasanthi Finance to help the customer in financial aspects.

Awards

1. RIDE THE NEW FRONTIER by HERO HONDA in the year 2005.
2. 4 awards from ICICI for their two wheelers loans.

Maintaining good customer relationship

They maintain a good customer relationship by means of welcoming them, to be patient enough to clear off the clarifications of the customers, helping them till they complete the purchasing and satisfying their needs even after sales that goes to the extent of providing them the spare parts at free of cost.

Periodic advertisements

Commercial advertisements find its space through different media such as Internet, Newspaper and Television which helps them increase their sales figures.

Quality attire

They provide good quality vehicles, genuine spare parts from Hero Honda manufactures. The vehicles which are displayed and kept for sales are being inspected before sales.

Variety of collections

They are inclined to showcase variety of collections in vehicles in the interest of both the genders and have wide range of collections in order to target the age group of 18 to 35.

Ambiance

The ambiance of the concern is growing day by day because of its sales, quality, price and customer satisfaction.

Dealer sales executive induction program

DAY 1

- General Introduction and Company Profile
- The purchase process
- The selling process

DAY 2

- Understanding our market
- Understanding our product

DAY 3

- Understanding our competitors
- Understanding our customer

DAY 4

- Sales process
- Service
- Spares

DAY 5

- Passport program
- Vehicle delivery process
- Post-sale follow-up

2.6 Description of various functional areas

- Sales
- Service
- Spare parts
- Passport program
- Accounts and billing
- PDA

Sales

Here the sales of all the Hero Honda bikes and scooters are taken care by five employees with a sales manager who guide them. The manager gives them specific targets to be achieved within a stipulated period.

Service

Here the general services are done. The service advisor is directly involved in fulfilling the requirements of the customers. The free services are performed according to the warranty period .The free service is provided with water and labour charges, but costs of the spare parts are excluded .The general service section consists of 25 workers. The general service in charge takes care of operation in the section.

Hero Honda general service

- Inspecting fuel lines
- Inspecting throttle operation, if necessary.
- Cleaning float chamber of carburetor.
- Cleaning air filter element.
- Inspecting clean and adjust spark plug gap
- Inspecting and adjust valve clearance
- Checking engine oil filter screen and rotor filter
- Checking engine oil and top up if necessary.
- Inspecting battery for specific gravity and electrolyte level and add distilled water if necessary.
- Inspecting brake system.
- Inspecting brake light switch.
- Inspecting head light aim and adjusting if necessary.
- Lubricating and adjust driving chain.
- Inspecting clutch, adjust if necessary.
- Inspecting suspensions.
- Lubricating parts, wherever it's required.
- Checking for tightness of all fastners.

Spare parts

This department is in charge of maintaining and supplying the spare parts to both the service stations. The spare parts Manager keep track of the flow of the materials and stock them according to the requirements. In case of non availability of spare parts, it is informed to the Hero Honda spare part office and the order is placed.

Hero Honda passport program

The Hero Honda Passport Program is a 'Customer Relationship Programme' instituted specially for the customers. It gives them a chance to understand and serve them better. Upon enrolling for the Programme, they obtain a Hero Honda Passport, which entitles them to a host of benefits, privileges and exclusive rewards. What's more, they also become eligible for the Hero Honda 'Winner of the Month', which could win them a Hero Honda Splendor, or a cash prize of Rs. 40,000.

Eligible for the Hero Honda Passport

Any Hero Honda motorcycle owner or user is eligible for the Hero Honda Passport. However, it is the actual user of the motorcycle, who derives maximum benefits from it.

Benefits of owning a Hero Honda Passport

Some of the immediate benefits are:

- One-year free Accident Insurance cover worth Rs.1 lakh.
- Exclusive rewards and surprise gifts from Hero Honda Motors Limited.
- Special service discounts at all authorized Hero Honda dealerships service centers.
- Special discounts on the purchase of spares.
- Invitation to events such as movie shows, musical nights and carnivals.
- Exclusive discount offers from other brands of your interest.
- Regular information and tips on motorcycle maintenance.

Accounts and billing

This department is in respect of doing day to day accounting by accounts executive, customer accounting and billing day to day cash counting, giving gate pass to the

PDA

The duty of this department is to issue the vehicles to the customer and allot the vehicles to their sub dealers. It thoroughly inspects every vehicle before it is sold and keeps the new customer informed of various functions of the bike and its warranty period, service period, and clarifies their doubts in all respects.

RTO

This department takes due care for the registration formalities at the RTO offices. They have 13 offices in Chennai city for the purpose of registration. Registration process is undertaken during week days (Monday through Friday). The customer is informed once when the registration process is over.

MACRO- MICRO ANALYSIS

CHAPTER 3

MACRO-MICRO ANALYSIS

The Macro & Micro analysis of Two Wheeler industries in economic growth, competitive strength, career growth, opportunities etc in domestic and foreign countries are discussed below.

3.1 Types of Motorcycles

- Road motorcycles
- Cruiser
- Sport bike
- Feet-forwards motorcycle
- Scooter
- Moped
- Dual-sport, adventure-touring and Supermoto
- Farm bike
- Demy
- Concept bikes

3.2 Global Two Wheeler Industry - A Perspective

The motorcycle industry will cruise to its 12th straight year of growth. What's more amazing, 24% more units were sold in the past four years than in the entire 1990s:

Its smooth riding for the motorcycle industry, which is on the road to its 12th year of consecutive growth, says the Motorcycle Industry Council (MIC). According to the not-for-profit national trade association based in California, year-to-date sales have increased 4.4% through October 2004, making it another growth year for the U.S motorcycle market.

In fact, the popularity of motorcycles in the U.S has accelerated so rapidly that 24% more units have been sold in the past four years than in the entire previous decade (1990-1999). "Sales are at an all-time-record high, all brands, all styles," Jhon Wychoff, a veteran industry consultant, tells American Automobile Dealers. "It just took off like a flying goose".

And the market's long-term trajectory is just as impressive. "Our industry's 12th

“Motorcycling today is more mainstream than ever and the numbers prove it. The new MIC Owner Survey shows that since 1998, there has been a 34% increase in the number of motorcycles in use in the United States.”

In 2003, robust demand was reflected in strong new unit sales which topped 996,000 up from 936,000 units in 2002. If the current rate of growth holds, MIC estimates that 2004 new unit sales of motorcycle could clear 1 million. Overall, the association anticipates revenues to exceed \$20billion in consumer sales and services, including some \$7.5 billion in retail sales of new units.

In the global motorcycle industry, Milwaukee-based Harley-Davidson, along with BMW and Ducati, is claiming niche markets while Honda, Kawasaki, Suzuki and Yamaha held the top spots from 1975 to 2003, according to a Stanford Technology Ventures Program report. Harley-Davidson has bounced back from near collapse in the early 1980s to dominate the market for large custom motorcycles.

In the U.S., motorcycles are more popular than ever and more likely to be owned by women, according to the latest Motorcycle Owner Survey, conducted by MIC. The survey also found:

Easy ridin’ catches on: An estimated 24 million people in the U.S hopped on a motorcycle at least once in 2003.

Ruling the road: The 34% rise in the number of motorcycles since 1998 translates to about 8.8 million motorcycles in use in the U.S

More women enjoying a sweet ride: The ranks of female motorcycle owners are increasing. The proportion of motorcycles owned by women reached 9.6% in 2003, up from 6.4% in 1990.

Not as freewheeling as you would think: More than half of motorcycle owners are married. Additionally, the median household income of motorcycle owners is higher than that of the U.S population as a whole. Also, more motorcyclists today have white-collar jobs.

More mature and likely to have matriculated: The median age of motorcycle riders is 42, up from 38 in 1998. Additionally, more riders today have college degrees-29% compared to 23% in 1998.

Brand spanking new: A greater percentage of motorcycles in use are purchased new, rising to 43% in 2003 from 33% in 1998.

Global motorcycle demand is forecast to advance 4.9 percent annually through 2009 to 41.6 million units valued at almost \$40 billion. And motorcycles will run on soybeans in 2007.

Worldwide demand for motorcycles remains strong despite the slowdown in growth in key markets such as China, which is rapidly transitioning toward cars for its transportation needs, according to a November study by the Freedonia Group, Inc.

The industrial market research firm's report forecasts global demand for motorcycles to advance 4.9 percent annually through 2009 to 41.6 million units, valued at almost \$40 billion. However, this is still down from a 6.8 percent annual increase from 1999 through 2004, as an article in *Industry Week* this week pointed out.

Demand for all categories of motorcycles is expected to remain healthy, and increased growth in all categories will be seen in developed markets, where rising fuel prices and—in some markets—continued restrictions in car use “are stoking interest in the exceptional fuel economy and cost-effectiveness of motorcycles,” the Cleveland-based research firm noted. So fuel efficiency and continued restrictions on car use in developed markets were cited as reasons for the continued growth.

However, while the market for expensive high-powered motorcycles also is expected to remain strong, its aging United States and Western European customer base is raising concerns. As well, restrictions on motorcycle use in China's large metropolitan areas and some other Asian countries will likely cause a shift in demand away from urban areas to more rural markets, according to the Freedonia Group's “World Motorcycles” report.

The new study breaks down into essentially two separate motorcycle markets: one is centered in industrialized Triad (i.e., the U.S., Japan and Western Europe), where motorcycles are seen as pleasure vehicles by consumers already owning one+ automobiles(s); the other, a much larger market in unit terms, is found in the emerging economics of Asia, where motorcycles are seen as primary family and work vehicles. The later vehicles are cheaper, smaller and less powerful than Triad motorcycles.

While Asia is dominant in terms of unit volume, most major manufacturers focus their efforts on developed markets such as North America, as they derive far higher revenues per unit via sales in these developed markets.

Micro Analysis

3.3 Indian Two-Wheeler Industry - A perspective

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 realising the sector's full potential for the economy.

Steps like abolition of licensing, removal of quantitative restrictions and initiatives to bring the policy framework in consonance with WTO requirements have set the industry in a progressive track. Removal of the restrictive environment has helped restructuring, and enabled industry to absorb new technologies, aligning itself with the global development and also to realize its potential in the country.

The liberalisation policies have led to continuous increase in competition which has ultimately resulted in modernisation in line with the global standards as well as in substantial cut in prices. 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.

Evolution of Two-wheeler Industry in India

Two-wheeler segment is one of the most important components of the automobile sector that has undergone significant changes due to shift in policy environment. The two-wheeler industry has been in existence in the country since 1955. It consists of three segments viz. scooters, motorcycles and mopeds. According to the figures published by SIAM, the share of two-wheelers in automobile sector in terms of units sold was about 80 per cent during 2003-04.

This high figure itself is suggestive of the importance of the sector. In the initial years, entry of firms, capacity expansion, choice of products including capacity mix and technology, all critical areas of functioning of an industry, were effectively controlled by the State machinery. The lapses in the system had invited fresh policy options that came into being in late sixties. Amongst these policies, Monopolies and Restrictive Trade Practices (MRTP) and Foreign Exchange Regulation Act (FERA) were aimed at regulating monopoly and foreign investment respectively.

This controlling mechanism over the industry resulted in: (a) several firms operating below minimum scale of efficiency; (b) under-utilisation of capacity; and (c) usage of outdated technology. Recognition of the damaging effects of licensing and fettering policies led to initiation of reforms, which ultimately took a more prominent shape with the introduction of the New Economic Policy (NEP) in 1985. However, the major set of reforms was launched in the year 1991 in response to the major macroeconomic crisis faced by the economy.

The industrial policies shifted from a regime of regulation and tight control to a more liberalised and competitive era. Two major results of policy changes during these years in two-wheeler industry were that the, weaker players died out giving way to the new entrants and superior products and a sizeable increase in number of brands entered the market that compelled the firms to compete on the basis of product attributes. Finally, the two-wheeler industry in the country has been able to witness a proliferation of brands with introduction of new technology as well as increase in number of players.

However, with various policy measures undertaken in order to increase the competition, though the degree of concentration has been lessened over time, deregulation of the industry has not really resulted in higher level of competition. The composition of the two-wheeler industry has witnessed sea changes in the post-reform period. In 1991, the share of scooters was about 50 per cent of the total 2-wheeler demand in the Indian market.

Motorcycle and moped had been experiencing almost equal level of shares in the total number of two-wheelers. In 2003-04, the share of motorcycles increased to 78 per cent of the total two-wheelers while the shares of scooters and mopeds declined to the level of 16 and 6 per cent respectively. A clear picture of the motorcycle segment's gaining importance during this period is exhibited by the Figure 3.1, Figure 3.2 and Figure 3.3.

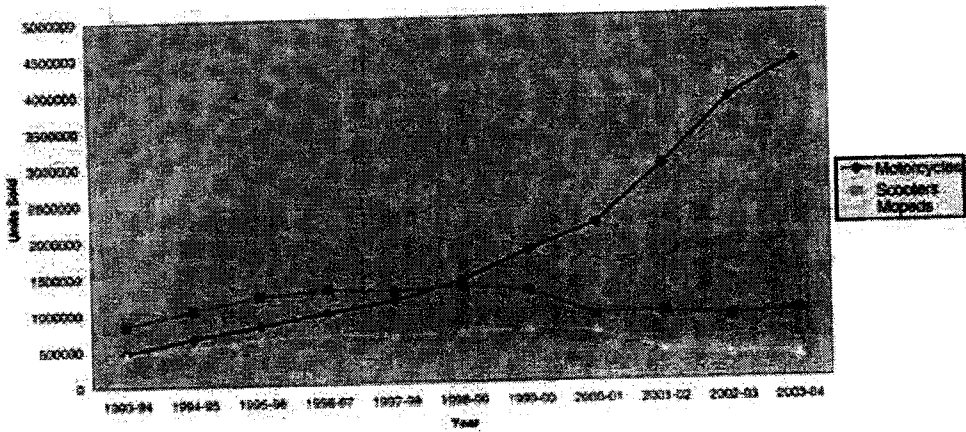


Figure 3.1 Demand for Motorcycles, Scooters and Mopeds

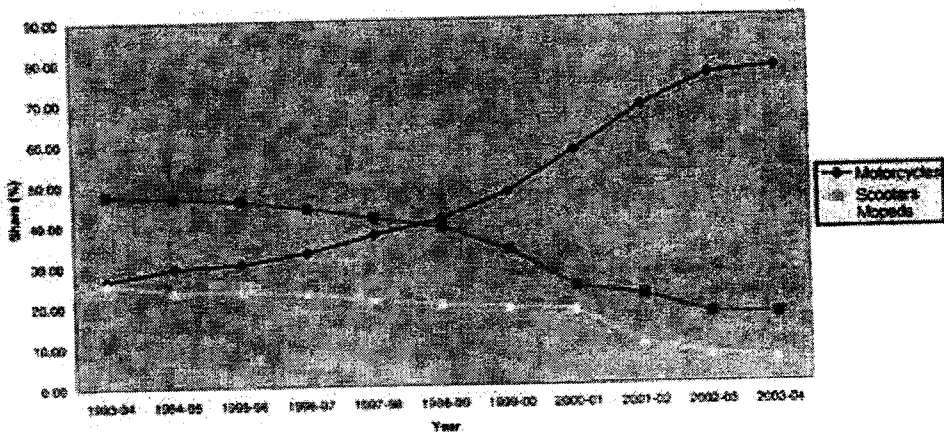
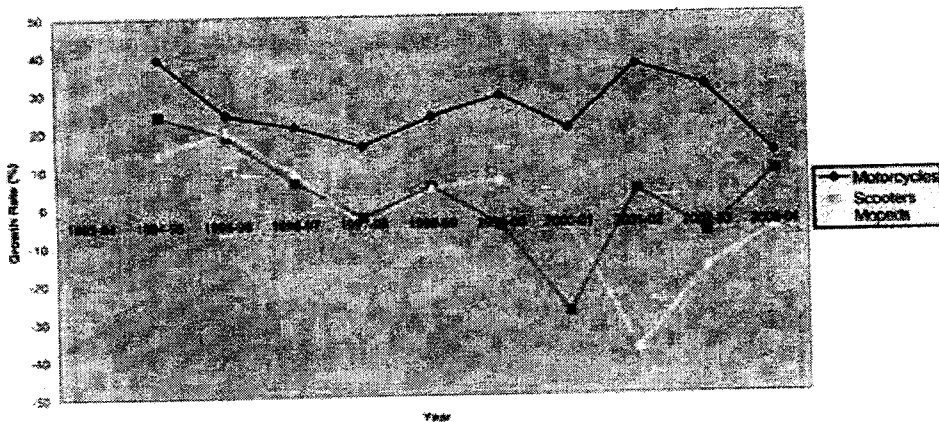


Figure 3.2 Change in status within two wheeler industry



National Council of Applied Economic Research (NCAER) had forecast two-wheeler demand during the period 2002-03 through 2011-12. The forecasts had been made using econometric technique along with inputs obtained from a primary survey conducted at 14 prime cities in the country.

Estimations were based on Panel Regression, which takes into account both time series and cross section variation in data. A panel data of 16 major states over a period of 5 years ending 1999 was used for the estimation of parameters. The models considered a large number of macro-economic, demographic and socio-economic variables to arrive at the best estimations for different two-wheeler segments. The projections have been made at all India and regional levels.

Different scenarios have been presented based on different assumptions regarding the demand drivers of the two-wheeler industry. The most likely scenario assumed annual growth rate of Gross Domestic Product (GDP) to be 5.5 per cent during 2002-03 and was anticipated to increase gradually to 6.5 per cent during 2011-12. The all-India and region-wise projected growth trends for the motorcycles and scooters are presented in Table 3.1. The demand for mopeds is not presented in this analysis due to its already shrinking status compared to motorcycles and Scooters.

It is important to remember that the above-mentioned forecast presents a long-term growth for a period of 10 years. The high growth rate in motorcycle segment at present will stabilize after a certain point beyond which a condition of equilibrium will set the growth path. Another important thing to keep in mind while interpreting these growth rates is that the forecast could consider the trend till 1999 and the model could not capture the recent developments that have taken place in last few years.

However, this will not alter the regional distribution to a significant extent. Table 3.1 suggests two important dimensions for the two-wheeler industry. The region-wise numbers of motorcycle and scooter suggest the future market for these segments. At the all India level, the demand for motorcycles will be almost 10 times of that of the scooters. The same in the western region will be almost 20 times. It is also evident from the table that motorcycle will find its major market in the western region of the country, which will account for more than 40 per cent of its total demand.

The south and the north-central region will follow this. The demand for scooters will be the maximum in the northern region, which will account for more than 50 per cent

Table 3.1 Demand Forecast for Motorcycles and Scooters for 2011-12

2-Wheeler Segment	Regions				
	South	West	North-Central	East & North-East	All India
Motorcycle	2835 (12.9)	4327 (16.8)	2624 (12.5)	883 (11.1)	10669 (14.0)
Scooter	203 (2.6)	219 (3.5)	602 (2.8)	99 (2.0)	1124 (2.08)

Note: Compound Annual Rate of Growth during 2002-03 and 2011-12 is presented in parenthesis

Source : Indian Automobile Industry : Optimism in the Air, Industry Insight, NCAER

The present economic situation of the country makes the scenario brighter for short-term demand. Real GDP growth was at a high level of 7.4 per cent during the first quarter of 2004. Both industry and the service sectors have shown high growth during this period at the rates of 8.0 and 9.5 per cent respectively. However, poor rainfall last year will pull down the GDP growth to some extent.

Taking into account all these factors along with other leading indicators including government spending, foreign investment, inflation and export growth, NCAER has projected an average growth of GDP at 6.7 per cent during the tenth five-year plan. Its mid-term forecast suggests an expected growth of 7.4 per cent in GDP during 2004-05 to 2008-09.

Very recently, IMF has portrayed a sustained global recovery in World Economic Outlook. A significant shift has also been observed in Indian households from the lower income group to the middle income group in recent years.

The finance companies are also more aggressive in their marketing compared to previous years. Combining all these factors, one may visualize a higher growth rate in two-wheeler demand than presented in table 3.1 particularly for the motorcycle segment.

There is a large untapped market in semi-urban and rural areas of the country. Any strategic planning for the two-wheeler industry needs to identify these markets with the help of available statistical techniques. Potential markets can be identified as well as prioritized using these techniques with the help of secondary data on socio-economic parameters. For the two-wheeler industry, it is also important to identify the target groups for various categories of motorcycles and scooters. With the formal introduction of secondhand car market by the reputed car manufacturers and easy loan availability for new as well as used cars, the two-wheeler industry needs to upgrade its market information system to capture the new market and to maintain its already existing markets.

Availability of easy credit for two-wheelers in rural and smaller urban areas also requires more focused attention. It is also imperative to initiate measures to make the presence of Indian two-wheeler industry felt in the global market. Adequate incentives for promoting exports and setting up of institutional mechanism such as Automobile Export Promotion Council would be of great help for further surge in demand for the Indian two-wheeler industry.

Market Overview

The automotive sector comprises the Original Equipment Manufacturers (OEMs) and auto component manufacturers. Globally, the automotive industry is recognised as a key component and driver of national economy. The global automotive industry is in the midst of a major structural transformation.

- Among OEMs, global conglomerates are emerging, driven by mergers and alliances among manufacturers (eg: GM/Fiat/Suzuki; Ford/Volvo/Mazda).
- Component manufacturers, or suppliers, are getting Tierised, with Tier 1 suppliers taking on the role of component aggregation and module supply/assembly, and component suppliers being relegated to Tiers 2 or 3.
- Relationships between OEMs and suppliers (especially Tier 1s) are becoming increasingly collaborative.

These trends have affected the Indian auto industry as well, leading to a rapid transformation of the industry over the last decade or so. After the end of licensing in 1993, the industry has witnessed rapid growth in volumes and capacity, and 17 new ventures have come up in the last 10 years. These include global giants such as General

vehicles, multi-utility vehicles, passenger cars, two wheelers, three wheelers and auto components.

The domestic automobile market has been growing at 14.2 per cent CAGR over the past 4 years (2000-01 to 2004-05), while the auto components market has been growing at 19.2 per cent CAGR (2000-01 to 2003-04). The industry (OEMs and suppliers together) contributed nearly 4 per cent to the country's GDP in 2003-04. The automotive sector also offers significant employment opportunities. It employ 0.45 million people directly and around 10 million people indirectly.

The industry's capabilities in design, engineering and manufacturing have been recognised the world over, and most automotive majors are looking to increasingly source auto components from India.

India is emerging as one of the most attractive automotive markets in the world, and is poised to become a key sourcing base for auto components. The table below captures the highlights of the sector in India that illustrates its growing significance.

Indian Automobile Industry

The Largest three wheeler market in the world

2nd largest two wheeler market in the world

4th largest passenger vehicle market in Asia

4th largest tractor market in the world

5th largest commercial vehicle market in the world

The industry structure spans all segments and is concentrated in regional clusters.

The Indian Automotive sector has a presence across all vehicle segments and key components. In terms of volume, two wheelers dominate the sector, with nearly 80 per cent share, followed by passenger vehicles with 13 per cent. The industry had few players and was protected from global competition till the 1990s. After government lifted licensing in 1993, 17 new ventures have come up. At present, there are 12 manufacturers of passenger cars, 5 manufacturers of multi utility vehicles (MUVs), 9 manufacturers of commercial vehicles, 12 of two wheelers and 4 of three wheelers, besides 5 manufacturers of engines. With the arrival of global players, the sector has become highly competitive.

Concentrated in regional clusters

Automobile manufacturing units are located all over India. These are, however, concentrated in some pockets such as Chennai and Bangalore in the south, Pune in the west, the National Capital Region (NCR, which includes New Delhi and its suburban districts) in the north, Jamshedpur and Kolkata in the east and Pithampur in the central region.

Following global trends, the Indian automotive sector also has most auto suppliers located close to the manufacturing locations of OEMs, forming regional automotive clusters. Broadly, the three main clusters are centered on Chennai, Pune and the NCR.

Auto Components sector – fragmentation

- The Indian automotive component industry is highly fragmented.
- There are nearly 6,400 players in the sector, of which only about 6 per cent are organized and the remaining 94 per cent are small-scale, unorganized players. In terms of value added, however, the organised players account for nearly 77 per cent of the output in the sector.
- The sector manufactures components across all key vehicle systems.
- The break-up of the output from the organised sector, in value terms, across key vehicle systems.

Two Wheelers

The production of two wheelers in India increased from 3.76 million vehicles in 2001 to 6.53 million vehicles in 2005.

Source: SIAM, KPMG Analysis

Scooters Motorcycles

Step Through Mopeds Total Two Wheelers

The domestic sales have been increasing at a CAGR of 14.3 per cent for the past 4 years. Motorcycles constituted 79.5 per cent of the domestic sales of two wheelers in India and have been growing at nearly 24 per cent CAGR. In the scooter segment, overall domestic sales grew by 1.3 per cent CAGR, driven primarily by un geared scooters and scooters with automatic gears. The sales of mopeds have declined at a CAGR of 15.9 per cent for the past four years. The motorcycle segment clearly drives the growth of the two

The two wheeler segment is being shaped by changing demographics and life styles. An increasing number of working women and greater affluence among college goers have led to an increase in demand for un geared / auto geared scooters. As with the case of passenger vehicles, there is a rising demand for higher-end models that combine style and performance in this segment as well. In motorcycles, for example, models with higher engine capacities (125cc, 150cc or above) are proving very popular.

Indian Automobile Industry

- India's comparatively cheaper and skill workforce can be effectively utilized to setup large Low –cost production bases.
- Huge investments from the companies for capacity expansion, R&D etc. Firm strategy, structure and rivalry
- A large number of domestic well as multi-national player
- Highly competitive industry Factor conditions Demand conditions
- High demanding consumers.
- Rapid urbanization, increases liter and rising per capita income, have caused rapid growth and changes demand patterns Related and supporting industries
- Strong industry associations to promote the industry's interests.
- Well established components industry supports OEMs
- Liberalized policy regime.
- Automatic approval for up to 100% FDI. The customs duty on inputs and raw materials has been reduced from 20 per cent to 15 per cent.

The outlook for India's automotive sector

The outlook for India's automotive sector is highly promising. In view of current growth trends and prospect of continuous economic growth of over 5 per cent, all segments of the auto industry are likely to see continued growth.

Large infrastructure development projects underway in India combined with favorable government policies will also drive automotive growth in the next few years. Easy availability of finance and moderate cost of financing facilitated by double income families will drive sales in the next few years.

encouraging hub for global major companies like GM,

While Ford and Toyota continue to leverage India as a source of components, Hyundai and Suzuki have identified India as a global source for specific small car models. At the same time, Indian players are likely to increasingly venture overseas, both for organic growth as well as acquisitions. The automotive sector in India is poised to become significant, both in the domestic market as well as globally.

Market share two wheelers 2004-05

Hero Honda	39%
Bajaj Auto	24%
TVS Motors	18%
Honda Motors	9%
Yamaha	4%
Others	6%

Two-wheeler sales in the country have sky rocketed in the recent years, and the annual sales of motorcycles in India expected to cross the 10 million mark by 2010. The low penetration of two-wheelers in the country 31 two-wheelers per 1000 citizens (2004) leaves immense scope for the growth of the market. Overall the industry sales of two-wheelers have grown by 15% from 6.57 million in 2004/2005 to 7.57 million in 2005/2006. The buoyant Indian economy with a growth rate of around 8% per annum is further expected to fuel the growth of two wheelers in the country. The share of motorcycles have increased over the years, while that of other two-wheelers like geared scooters, scooterettes and mopeds have shown a negative growth or remained stagnant. The two-wheelers have penetrated 7% of rural house hold and 24% of urban markets, thus it leaves an immense scope for the market to grow.

The motorcycle category is expected to see a further growth and according to industry experts it will drive all other category of two-wheelers to the periphery. The Table 3.2 shows the overall trend of Industry Sales over a 5 year period. The figures are provided by the Society of Automobile Manufactures Association (SIAM).

Table 3.2 Two-wheeler domestic sales trend**Motorcycles**

2001-02	2002-03	2003-04	2004-05	2005-06
2887194	3647493	4170445	4964753	5815417

Scooters

2001-02	2002-03	2003-04	2004-05	2005-06
908268	825648	886295	922428	908159

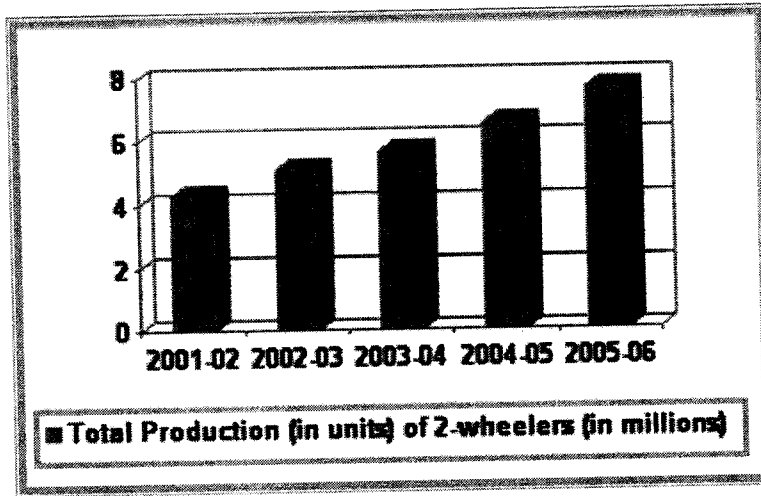
Mopeds

2001-02	2002-03	2003-04	2004-05	2005-06
408263	338985	307509	322584	332741

Indian automobile industry witnessed a growth of 23.37% in two wheeler segment. India is the second-largest two wheeler manufacturers in the world and also the largest motorcycle manufacturer in the World. Indian two wheeler segments include a range of vehicles such as scooters – geared and un geared, motorcycles and mopeds.

In India there are 7 scooter manufacturers, 9 motorcycle manufacturers, 3 moped manufacturers. Bajaj Auto, Hero Honda, TVS, etc are the leading manufacturers. They have also dominated the global arena after Piaggio. Production in Indian automobile industry during financial year 2005-06, Indian two wheeler productions showed a growth of 16.40% over the preceding year. Two wheeler segments have been showing an upward production trend. At present, there are more than 7.6 million two wheelers, manufactured in Indian automobile sector.

Chart 3.1 Production trend of two wheelers in Indian Automobile industry



Sales in Indian Automobile industry-Domestic and Exports

During financial year 2005-06, two wheeler sales in Indian market showed a growth of 13.63%, with an increase in exports by more than 40%. In the same period, cumulative sales of two wheelers in Indian market amounted to 7.05 millions, with 0.5 million units exported by Indian manufacturers.

Chart 3.2 Sales trend of two wheelers in Indian market

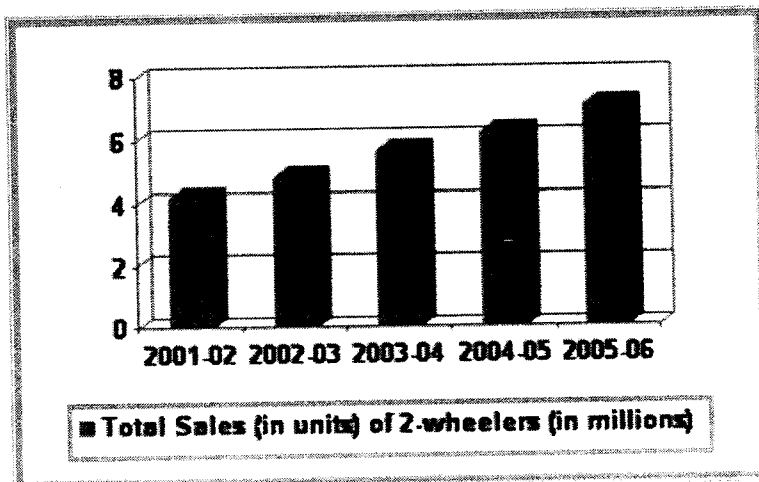
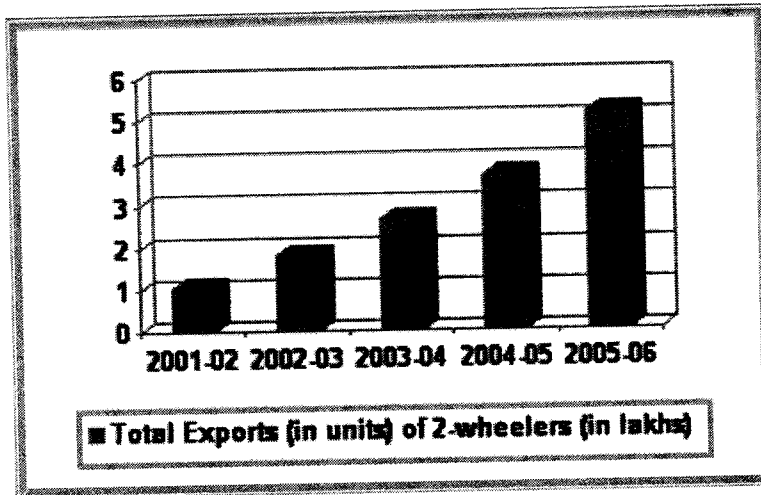


Chart 3.3 Export trend of two wheelers



From the budget 2008-2009

- Chennai, February 29: Cars and two-wheelers are expected to become cheaper with Finance Minister P. Chidambaram giving handsome excise concessions to the Indian automotive industry in his budget for 2008-09.
- Cut the excise duty on bus chassis, small cars, two- and three-wheelers from 16 per cent to 12 per cent.
- The Government's move brings great relief to two-wheeler manufacturers suffering from slow growth. Companies like TVS Motor, Bajaj Auto, Hero Honda, Kinetic, Yamaha and Piaggio would be the gainers. According to K. Sridharan, Executive Director of Ashok Leyland, 'The budget is good for the auto industry. The excise duty reduction will be passed on to the customers.'

The Macro- Micro analysis for the two wheeler sector in the world market and Indian market was carried out and the future for two wheeler sector in India was found to be good.

DATA ANALYSIS AND INTERPRETATION

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

Table 4.1 Age distribution of the customers

S.No.	Age Group (in years)	No. of Respondents	Percentage
1	18- 25	67	44.67
2	25 - 35	65	44.33
3	35 & above	18	12
Total		150	100

Inference

The table 4.1 classifies the respondents according to their Age. About 44.67% of the respondents are of the age group between 18 to 25. Another 44.66% of the respondents are of the age group between 25 to 35 years of age. Remaining 12% of the respondents are above 35 years of age.

Interpretation

The table 4.1 represents that the major age group of the respondents are in 18-25 due to sportier model of the bike. The minor respondents are in 35 and above age group due to safe ride, and for more mileage and they prefer less cc bike segment.

Table 4.2 Occupation of the customers

S.No.	Occupation	No. of Respondents	Percentage
1	Student	60	40
2	Business	20	13.33
3	Professional	70	46.67
Total		150	100

Inference

The table 4.2 classifies the respondents according to their Occupation. The respondents are classified as the Students, Professional and Business, of which 40% of the respondents are Students. Another 13.33% of the respondents are Business men and the remaining 46.67% are Professionals.

Interpretation

The table 4.2 shows that the major respondents are in student category, because they are more interested in race model, fashion, style and lower respondents are belonging to the business category, for they prefer four wheeler due to their job position.

Table 4.3 Income level of the respondents

S.No.	Monthly Income Level (in Rs)	No. of Respondents	Percentage
1	Less than 10,000	36	32.73
2	10,000 to 20,000	69	62.73
3	Greater than 20,000	5	4.55
Total		110	100

Inference

The table 4.3 shows that the respondents are widely distributed among various income levels. About 32.73% of the respondents earn less than Rs. 10000/month. Another 62.73% earn between Rupees 10001 and 20000/month. The remaining 4.55% earn more than Rs.20000.

Interpretation

The table 4.3 shows that the major respondents are in the income level of Rs.10,000 to Rs.20,000 per month. This is due to their good income level and they feel two wheeler is more convenient than four wheeler due to their job specification. Minor respondents are in the income level of above Rs.20,000 and they feel four wheeler is better for their job position.

Table 4.4 Percentage of Hero Honda Hunk owners

S.No.	Response	No. of Respondents	Percentage
1	Yes	110	73.33
2	No	40	26.67
Total		150	100

Inference

The table 4.4 shows that out of 150 respondents 73.33% own a Hero Honda Hunk, remaining 26.67% of the respondents does not.

Interpretation

The table 4.4 shows that major respondents own Hero Honda Hunk due to its style, fashion and special features. Minor respondents use other range of bike in Hero Honda and some may use other brand bikes which may probably show their inclination towards other aspects of bike other than style and fashion.

Table 4.5 Mode of purchase of Hero Honda Hunk

S.No.	Mode of Purchase	No. of Respondents	Percentage
1	Own cash	35	31.82
2	Loan	75	68.18
Total		110	100

Inference

The table 4.5 shows that out of 110 respondents 31.82% of them did not avail loan for the purchase of bike and remaining 68.18% availed loan facilities for the purchase of their bike.

Interpretation

The table 4.5 shows that major respondents mode of purchase is through loan, because their income is between Rs.10,000 and Rs.20,000. So, they can easily pay their loan without any due. Minority of the respondents pay own cash because their income level is more than Rs.20,000.

Table 4.6 Distance traveled per day

S.No.	Distance in Km	No. of Respondents	Percentage
1	Less than 30	45	41
2	Between 30 - 50	37	34
3	Greater than 50	28	25
Total		110	100

Inference

The table 4.6 shows that out of 110 respondents 41% of them ride less than 30 Kms a day. Another 34% of the respondents ride 30 to 50 Kms a day and remaining 25% of the respondents ride more than 50 Kms a day.

Interpretation

The table 4.6 shows that more respondents ride their bike less than 30 kms per day. This is due to their work limit, time constraint and less respondents ride their bike more than 50 Kms per day. They belong to college category and certain workers have their work outside the company.

Table 4.7 Ranking of factors for purchase of Hero Honda Hunk

S.No.	Ranking Factor	Rank Score	Percentage
1	Brand Image	2.2	2
2	Style	1.48	1
3	Performance	4.37	3
4	Handling	5.22	5
5	Mileage	5.10	4
6	Price	6.20	6
7	Monoshock Absorber	7.15	8
8	Engine	6.99	7
9	Reliability	8.12	9
10	Puncture Resistant Tube	8.13	10

Inference

The table 4.7 shows that respondents have ranked style, brand image, performance, mileage, handling, price, engine, monoshock absorber, reliability & puncture resistant tube from rank 1 to 10 respectively.

Interpretation

The table 4.7 shows that major respondents ranked style as their prime ranking factor because they are giving more importance to style rather than any other factor. As such style plays a major role in 150cc segment bike.

Table 4.8 Customers perception about value for money

S.No.	Value for Money	No. of Respondents	Percentage
1	Yes	98	89
2	No	7	6
3	Don't know	5	5
Total		110	100

Inference

The table 4.8 shows that out of 110 respondents 89% of them feel that the bike offers good value for money, remaining 6% feel that Hero Honda Hunk does not offer good value for money and the remaining 5% are neutral and have no opinion about it.

Interpretation

The table 4.8 shows that major respondent says that it offers value for their money, due to their experience in the bike sector by using various features and facilities. The least respondents are unable to value their bike due to less experience in the bike sector.

Table 4.9 Satisfaction level towards bike performance

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	60	55
2	Satisfied	33	30
3	Average	9	8
4	Dissatisfied	5	4.5
5	Highly dissatisfied	3	2.5
Total		110	100

Inference

The table 4.9 shows the satisfactory level of the respondents. Out of 110 respondents 55% are highly satisfied with the bikes performance, 30% are just satisfied. 8% of the respondents are neither satisfied nor dissatisfied. 4.5% of the respondents are dissatisfied with the bikes performance and 2.5% are highly dissatisfied.

Interpretation

The table 4.9 shows that maximum respondents are highly satisfied with the bikes performance due to its overall performance. Least respondents are highly dissatisfied due to minor problem present in their bikes.

Table 4.10 Satisfaction level towards bike handling

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	49	44.54
2	Satisfied	45	41
3	Average	10	9
4	Dissatisfied	3	2.73
5	Highly dissatisfied	3	2.73
Total		110	100

Inference

The table 4.10 shows that out of 110 respondents 44.54% are highly satisfied with the handling of bikes, 41% are satisfied. 9% of the respondents are neither satisfied nor dissatisfied. 2.73% of the respondents are dissatisfied with the bike handling and 2.73% are highly dissatisfied.

Interpretation

The table 4.10 shows that maximum respondents are highly satisfied with the handling of bikes due to bikes built quality and various other features which enable the smooth handling and least respondents are in the highly dissatisfied category which is due to rough handling and not following the companies' instructions.

Table 4.11 Satisfaction level towards bikes' built quality

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	36	32.73
2	Satisfied	40	36.36
3	Average	20	18.18
4	Dissatisfied	9	8.18
5	Highly dissatisfied	5	4.55
Total		110	100

Inference

The table 4.11 shows that out of 110 respondents 32.73% are highly satisfied with the bikes built quality, 36.36% are satisfied. 18.18% of the respondents are neither satisfied nor dissatisfied. 8.18% of the respondents are dissatisfied with the bikes build quality and 4.55% are highly dissatisfied.

Interpretation

The table 4.11 shows that maximum respondents are satisfied with the bikes built quality due to its various features and its style. The respondents feel that it is a Hero Honda brand product and should naturally be good. Minimum respondents are highly dissatisfied due to improper maintenance or services.

Table 4.12 Satisfaction level towards bikes' mileage

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	15	13.64
2	Satisfied	59	53.64
3	Average	15	13.64
4	Dissatisfied	12	10.9
5	Highly dissatisfied	9	8.18
Total		110	100

Inference

The table 4.12 shows that out of 110 respondents 13.64% are highly satisfied with the bikes mileage, 53.64% are satisfied. 13.64% of the respondents are neither satisfied nor dissatisfied. 10.9% of the respondents are dissatisfied with the bikes mileage and 8.18% are highly dissatisfied.

Interpretation

The table 4.12 shows that maximum respondents are satisfied with the bikes mileage because they follow the instruction and maintain their bike in good condition by watching the speed limit. Minimum respondents are highly dissatisfied for they do not follow the instructions and indulge in rash driving.

Table 4.13 Satisfaction level towards bikes' reliability

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	20	18.18
2	Satisfied	70	63.64
3	Average	15	13.64
4	Dissatisfied	3	2.73
5	Highly dissatisfied	2	1.81
Total		110	100

Inference

The table 4.13 shows that out of 110 respondents 18.18% are highly satisfied with the bikes reliability, 63.64% are just satisfied. 13.64% of the respondents are neither satisfied nor dissatisfied. 2.73% of the respondents are dissatisfied with the bikes reliability and 1.81% is highly dissatisfied.

Interpretation

The table 4.13 shows that the maximum respondents are satisfied with the reliability of bikes as it is reliable in terms of economy, saving of time and serving the transportation purpose in every sense. Least number of respondents are in the highly dissatisfied category which may be in view of their poor physique or health condition.

Table 4.14 Satisfaction level towards bikes' engine

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	28	25.45
2	Satisfied	40	36.36
3	Average	30	27.27
4	Dissatisfied	6	5.46
5	Highly dissatisfied	6	5.46
Total		110	100

Inference

The table 4.14 shows that out of 110 respondents 25.45% are highly satisfied with the bikes engine, 36.36% are just satisfied. 27.27% of the respondents are neither satisfied nor dissatisfied. 5.46% of the respondents are dissatisfied with the bikes engine and 5.46% are highly dissatisfied.

Interpretation

The table 4.14 shows that maximum respondents are satisfied with the bike's engine due to proper maintenance of the bike through regular services at equal intervals. Minimum respondents are highly dissatisfied due to improper maintenance of their bike.



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Table 4.15 Satisfaction level towards dealer support

S.No.	Satisfaction Level	No. of Respondents	Percentage
1	Highly satisfied	23	20.9
2	Satisfied	50	45.45
3	Average	30	27.27
4	Dissatisfied	4	3.65
5	Highly dissatisfied	3	2.73
Total		110	100

Inference

The table 4.15 shows that out of 110 respondents 20.9% are highly satisfied with the dealer's support, 45.45% are just satisfied. 27.27% of the respondents are neither satisfied nor dissatisfied. 3.65% of the respondents are dissatisfied with the dealer's support and 2.73% are highly dissatisfied.

Interpretation

The table 4.15 shows that maximum respondents are satisfied with the dealer's support for they maintain good relationship, clarifying their queries, watching the follow up's and giving proper feedback. Minimum respondents feel that they are highly dissatisfied owing to misunderstanding, communication gap and getting the right feed back.

Table 4.16 Upgrade for Hero Honda Hunk

S.No.	Upgrade for Hunk	No. of Respondents	Percentage
1	Yes	83	55.33
2	No	64	42.67
3	Don't know	3	2
Total		150	100

Inference

The table 4.16 shows that out of 150 respondents 55.33% of them feel that an upgrade is necessary for Hero Honda Hunk, 42.67% of them feel that it is not necessary to upgrade, while 2% of them don't know about upgrading in Hero Honda Hunk.

Interpretation

The table 4.16 shows that majority of the respondents feel that an upgradation is necessary due to their high expectation on various aspects of the bike. Minority of the respondents are in a position to say whether to upgrade or not since they lack experience and knowledge.

Table 4.17 Features for Upgradation

S.No.	Featured to be upgraded	No. of Respondents
1	Engine	59
2	Riding position	58
3	Instruments	72
4	Wheel base	40
5	Led tails	64

Inference

The table 4.17 shows that 59 respondents feel that an engine upgrade is necessary, 58 of them feel than an upgrade in riding position is necessary, 72 of them feel that instruments needs to be upgraded. While 40 and 64 opt for change in the wheel base and Led tail lights respectively.

Interpretation

The table 4.17 shows that major respondents feel that the instruments of the bike like digital speedometer, backlight switches, and self canceling indicators should be fixed in the bike, which will make the bike more stylish and convenient. Minor respondents feel that they are satisfied with the wheelbase and so no upgrade is necessary for it.

Table 4.18 Expected type of upgrade for engine

S.No.	Type of upgrade	No. of Respondents	Percentage
1	Refinement	23	20.9
2	Mileage	78	70.9
3	Refinement & mileage	9	8.2
Total		110	100

Inference

The table 4.18 shows that out of 110 respondents 20.9% of them feel that refinement of the engine is necessary, 70.9% of them feel that the mileage of the bike should be increased, 8.2% of them feel that both refinement and mileage should be considered.

Interpretation

The table 4.18 shows that maximum respondents are mileage oriented and they expect more mileage in the race model bike. Minimum respondents think that an upgrade for both refinement and mileage is necessary to maintain their bikes engine.

Table 4.19 Expected type of upgrade for riding position

S.No.	Type of upgrade	No. of Respondents	Percentage
1	Rear set foot pegs	26	23
2	Shorter handlebar	79	72
3	Rear set foot pegs & Shorter handlebar	5	5
Total		110	100

Inference

The table 4.19 shows that out of 110 respondents 23% of them feel that the bike should have rear set foot pegs, 72% of them feel that the bike should have a shorter handlebars, 5% of them feel that both rear set foot pegs and shorter handlebars should be upgraded.

Interpretation

The table 4.19 shows that maximum respondent wants the handlebar to be shorter in size. It will give a stylish look to the rider and also to the bike. Minimum respondents think that rear set foot pegs and handlebars should be upgraded in order to make the bike stylish.

Table 4.20 Expected type of upgrade for instrument console

S.No.	Type of upgrade	No. of Respondents	Percentage
1	Digital speedometer	77	70
2	Backlight switches	7	6.36
3	Self canceling indicators	26	23.64
Total		110	100

Inference

The table 4.20 shows that out of 110 respondents 70% of them feel that the bike should have digital speedometer, 6.36% of them feel that the bike should have backlight switches and 23.64% of them feel that self canceling indicators should be used.

Interpretation

The table 4.20 shows that maximum respondents need digital speedometer due to its look and it adds more value to the bike. Minimum respondents want backlight switches to be upgraded so that the look of the bike will be improved.

Table 4.21 Expected type of adjustment for wheelbase

S.No.	Type of adjustment	No. of Respondents	Percentage
1	Increased	16	14.54
2	Decreased	13	11.82
3	Remains the same	81	73.64
Total		110	100

Inference

The table 4.21 shows that out of 110 respondents 14.54% of them feel that the wheelbase of the bike should be increased. 11.82% of them feel that the bike wheelbase should be decreased, 73.64% of them feel that the bike wheelbase can be left unaltered.

Interpretation

The table 4.21 shows that most of the respondents feel that the existing wheelbase is enough due to its look and less number of respondent wants to decrease the wheelbase in order to get more mileage.

Table 4.22 Influence of age on the bike factors**Ho: Age does not have any significant influence on the bike factors**

Factors	X ²	P-value	Significance
Performance	24.957	0.000	S
Handling	22.888	0.001	S
Quality	9.865	0.007	S
Mileage	18.020	0.021	S
Reliability	5.824	0.213	S
Engine	6.550	0.162	S
Dealer support	5.296	0.506	NS

S – Significant

NS – Non significant

Inference

The chi square test is performed under Pearson chi square method at 6 degrees of freedom and 5% level of significance, it is seen that age has a significant influence on the bike factors like performance, handling, quality, mileage, reliability, engine and do not have significant influence on the dealer support.

Table 4.23 Influence of occupation on the bike factors**Ho: Occupation does not have any significant influence on the bike factors**

Factors	X ²	P-value	Significance
Performance	31.479	0.000	S
Handling	24.397	0.000	S
Quality	0.964	0.618	NS
Mileage	31.701	0.000	S
Reliability	3.080	0.545	NS
Engine	7.463	0.113	S
Dealer support	18.827	0.004	S

S – Significant

NS – Non significant

Inference

The chi square test is performed under Pearson chi square method at 6 degrees of freedom and 5% level of significance, it is seen that occupation has a significant influence on the bike factors like performance, handling, mileage, engine, dealer support and do not have significant influence on Quality, reliability.

Table 4.24 Influence of income level on the bike factors**Ho: Income level does not have any significant influence on the bike factors**

Factors	X^2	P-value	Significance
Performance	15.266	0.018	S
Handling	8.331	0.215	S
Quality	0.739	0.691	NS
Mileage	18.503	0.018	S
Reliability	3.536	0.472	S
Engine	3.169	0.530	NS
Dealer support	5.374	0.497	S

S – Significant

NS – Non significant

Inference

The chi square test is performed under Pearson chi square method at 6 degrees of freedom and 5% level of significance, from the table it is seen that income level has a significant influence on the bike factors like performance, handling, mileage, reliability, dealer support and do not have significant influence on Quality and engine.

CONCLUSION

CHAPTER 5

CONCLUSION

5.1 Results and Discussions

This chapter deals with the findings and suggestions.

Findings

The questionnaire given in the Annexure was distributed to 150 persons, among which 110 are Hero Honda Hunk users. The following conclusions are arrived from the data collected from the respondents of Hero Honda Hunk users.

Based on Percentage analysis

- It is found that Hero Honda Hunk seems to be more reliable with good performance and good quality.
- Maximum respondents are satisfied with the dealer support for they maintain good relationship, clarifying their queries, watching the follow up's and giving proper feedback.

Ranking based on Mean score analysis

- Majority of the respondents chose Style as their prime deciding factor for buying Hero Honda Hunk.

Chi square analysis

- There is a significant relationship between age, occupation and income level of the respondents with the bike factor.

5.2 Considered Recommendations

The premium motorcycle segment consists of five main players, in which Hero Honda is in first place in terms of sales. To improve its market share, the following recommendations are made based on the data collected, which may attract many prospective buyers.

- The features of the bike can be improved by providing digital speedometer and Led tail lights.
- The riding position can be changed by offering a shorter handlebar and rear set foot peg as this makes the bike sportier.
- The engine can be modified to offer improved performance without compromising fuel efficiency.

5.3 Conclusion

The two wheeler market in India is booming with people going for sportier models with performance and style coupled with good fuel efficiency. The premium motorcycles offer the best compromise between performance and fuel efficiency, while looking stylish. So this segment in particular is witnessing the high growth.

It is inferred from this research that most of the premium motorcycle buyers are under the age group of 30. They expect the bike to be stylish with sportier intent; the result from the research also reiterates the same factors, as most of the respondents want more fuel efficient bike with added features like digital speedometers and Led tail lights. It is also realised that they also prefer premium motorcycles to have sportier riding positions with good handling capabilities.

ANNEXURE

ANNEXURE

QUESTIONNAIRE

NAME:

ADDRESS:

AGE in YEARS:

- a. 18-25 [] b. 25-35 [] c. 35 & ABOVE []

OCCUPATION:

INCOME (Rs):

- a. Upto 10000 [] b. 10001-20000 []
c. Above 20000 []

1. Do you own HUNK?

- a. Yes [] b. No []

[If NO Go to question No.7]

2. What is the mode of your purchase?

- a. Own cash [] b. Loan provided by dealer [] c. Others []

3. Distance traveled per day in km

4. Rank the following factors as per your preference for the purchase of HUNK

- a. Brand Image
- b. Style
- c. Performance
- d. Handling
- e. Mileage
- f. Price
- g. Monoshock absorber
- h. Engine
- i. Reliability
- j. Puncture Resistant tube.....

5. Do you feel it offers value of money?

- a. Yes [] b. No [] c. Don't know []

6. Give your satisfaction level about the bikes factors

Sl. No.	FACTORS	HIGHLY DISSATISFIED	DISSATISFIED	AVERAGE	SATISFIED	HIGHLY SATISFIED
1	PERFORMANCE					
2	HANDLING					
3	QUALITY					
4	MILEAGE					
5	RELIABILITY					
6	ENGINE					
7	DEALER SUPPORT					

[Go to question No.9]

FOR TEST DRIVERS

7. Have you ever tested HUNK ?

- a. Yes [] b. No [] c. Don't know []

8. Give your satisfaction level about the bikes factors

Sl. No.	FACTORS	HIGHLY DISSATISFIED	DISSATISFIED	AVERAGE	SATISFIED	HIGHLY SATISFIED
1	PERFORMANCE					
2	HANDLING					
3	QUALITY					
4	ENGINE					

9. Do you think an upgrade is necessary for HUNK?

- a. Yes [] b. No [] c. Don't know []

10. Which of the following aspect you think can be upgraded?

- a. Engine []
b. Riding position []
c. Instrument []
d. Wheel base []
e. LED tail lights []

11. What upgrade you expect from the engine?

- | | | | |
|---------------------------|-----|------------|-----|
| a. Refinement | [] | b. Mileage | [] |
| c. Refinement and Mileage | [] | | |

12. What upgrade you expect from the Riding position?

- | | | | |
|---|-----|----------------------|-----|
| a. Rear set foot pegs | [] | b. Shorter handlebar | [] |
| c. Rear set foot pegs and Shorter handlebar | | | [] |

13. What upgrade you expect from the Instrument Console?

- | | | | |
|------------------------------|-----|-----------------------|-----|
| a. Digital Speedometer | [] | b. Backlight Switches | [] |
| c. Self Canceling Indicators | [] | | |

14. Do you want the Wheel base to be?

- | | | | |
|--------------------|-----|--------------|-----|
| a. Increased | [] | b. Decreased | [] |
| c. Remain the same | [] | d. Others | [] |

15. Your valuable suggestions:

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BIBLIOGRAPHY

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