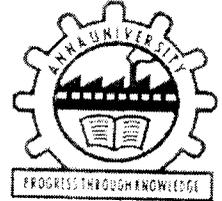


P-1988



**A study on customer satisfaction and expectation of Honda Shine
users in the city of Coimbatore**

By

P-1988

T.K.SUSRUTH
Reg No: 71205631054

Of

Kumaraguru College of Technology
COIMBATORE - 641006

A PROJECT REPORT
Submitted to the

FACULTY OF MANAGEMENT SCIENCES

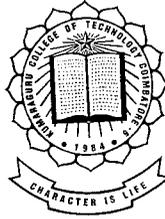
In the partial fulfillment of the requirement
for the award of the degree

Of

MASTER OF BUSINESS ADMINISTRATION

June, 2007

Certificate

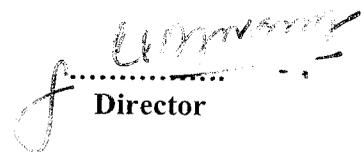


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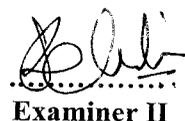
Certified that this project titled '**A study on customer satisfaction and expectation of Honda SHINE users in the city of Coimbatore**' is the bonafide work of **T. K. SUSRUTH (Reg no: 71205631054)**, who carried out this research under my supervision. Certified further , that to the best of my knowledge 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


.....
Director

Evaluated and Viva-voce held on...2/07/07.....


.....
Examiner I


.....
Examiner II

Date : 20.06.2007

PROJECT COMPLETION CERTIFICATE

This is to certify that **MR.T.K.SUSRUTH** (Roll No. **71205631054**) a student of KCT Business School, Kumaraguru College of Technology, had undergone a Project between **27.01.2007** and **21.04.2007** entitled **A Study on Customer Satisfaction and Expectation of Honda SHINE users in the city of Coimbatore.**

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Signature of the
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Declaration

DECLARATION

I, hereby declare that this project report entitled as “A study on customer satisfaction and expectation of Honda Shine users in the city of Coimbatore”, has undertaken for academic purpose submitted to Anna University in partial fulfillment of 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 Prof. V.Elamurugan , 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:



(T.K.Susruth)

Abstract

Executive Summary

The main objective of this research is to study the customer satisfaction and expectation of Honda Shine users in the city of Coimbatore. The main reason for selecting this city is because it is very near in geographical location and the sales of executive commuter motorcycles are high in this region. This research suggests ways of improving the level of customer satisfaction and will also help the company to bridge the gap between the expectation of the customers and the actual product. It also makes the company aware of customer's expectations. Since the sales of the executive commuter motorcycles are in an all time high, the companies with the ability to cater to the requirements of potential customers' with a sound product will emerge as the market leader in the segment. Since most of the customer's who purchase executive commuter bikes are professionals, it is important for the manufacturer to improve the product and offer a more stylish variant. The emphasis is given on style and mileage because most of the executive commuter motorcycle buyer's rank mileage as the most important factor for their purchase.

Acknowledgement

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I express my sincere gratitude to our beloved correspondent **Prof. Dr. K. Arumugam** , the prime guiding sprit of Kumaraguru College of technology.

I extend my heartfelt thanks to Principal **Dr. Joseph V. Thanikal**, Kumaraguru College of Technology, Coimbatore for providing facilities to do this project.

I express my sincere gratitude and thanks to our Director **Dr. S. Ganesan**, for permitting me to carry out the project.

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I am also very much thankful to **Mr. C. Sunil Kumar**, Sales manager who helped me throughout the completion of the project.

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Introduction

CHAPTER 1

INTRODUCTION

1.1 BACK GROUND OF THE STUDY

The 125cc executive commuter bike segment is witnessing a high growth in the two wheeler market. This segment is about the stylish fuel efficient motorcycles. Honda motors and scooters India Ltd offers Shine in this segment. This research is to find out the level of customer satisfaction and expectation of the Honda.Shine users in the city of Coimbatore, so that Pressana Motors, the dealership for Honda motors and scooters in Coimbatore city can improve the level of customer satisfaction and also make the company aware about the customer's expectation from the Shine motorcycle.

1.2 REVIEW OF LITERATURE

A research on Customer satisfaction and loyalty as success factors in organic food retailing impact of customer satisfaction and enthusiasm on the economic performance of small retailers in the organic market. The joint analysis of customer satisfaction and shop data confirm essential economic effects. The study is based on 948 customer interviews and an analysis of management ratios of 12 organic food shops in Germany. The results show that customer satisfaction is a relevant key to sales performance.

Regression analysis reveals that overall satisfaction of customers accounts for 32 % of sales per square meter sales area. An additional factor analysis identifies service and product quality as main determinants of customer satisfaction. Customers consider the freshness of fruit and vegetables as representative of the quality of the whole assortment. A correlation analysis demonstrates that customer enthusiasm is a greater source for recommendation of shops than customer satisfaction. The paper ends with managerial and scientific implications.

In another research on Customer Satisfaction and Lifetime Value: Evidence from the Video-Rental Market. Forgoing immediate revenue in order to provide customers with a more satisfying experience may be an optimal decision for a firm if dissatisfaction reduces customer lifetime value. They empirically examine the link between dissatisfaction and lifetime value in the video-rental market, a business which relies on

revenue streams generated by repeated customer interactions. Using administrative data from an independent video store, they have examined the effect of paying a late fee (which has been identified as a leading cause of dissatisfaction in this market) on future purchasing intensity, visit frequency, and customer retention. They have used a semi parametric identification strategy designed to analyze dynamic binary responses in panel data and find that late fees have a significant effect on customer lifetime value. Specifically, they found that the customers respond to paying a late fee on all three dimensions – expected spending temporarily falls by 0.8% (mostly in the form of reduced future late fees), average wait time between visits increase by 1.4 days, and customers are 27% more likely not to return. Expensive late fee payments have a larger effect on future behavior than inexpensive late fee payments. They also found that late fee payments that are taken directly from a prepaid account have less of an effect on future behavior than those collected in cash at the register. They have provided a discussion of the managerial implications that these results have regarding late fee policies as well as satisfaction more generally

1.1 OBJECTIVE OF THE STUDY

1.3.1 Primary Objective

To study the customer satisfaction and expectation of Honda Shine users in the city of Coimbatore.

1.3.2 Secondary Objective

- 1) To find out the existing level of satisfaction of Honda Shine Users.
- 2) To find out the various expectations and preferences among the customers of Shine.
- 3) To find the perception on the various expectations among the customers on certain selected factors.
- 4) To suggest the organization about the upgrades that can be made to the Honda Shine based on the customer's opinion.

1.4 Statement of Problem

Shine is a new product launched by Honda in the 125 cc Executive commuter segment, although Honda has a very good reputation among the customers and the bike is fuel efficient it still can't make it out to the top of the sales table. This study is undertaken to find out the level of customer satisfaction and expectation of Honda Shine users in city of Coimbatore.

1.5 Scope of the study

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

1.6 RESEARCH METHODOLOGY

1.6.1 Research design

Descriptive research

The research is descriptive in nature as the study was done to find out the level of customer satisfaction and expectation. The researcher has no control over the variables and they are independent of the state of affairs.

1.6.2 Sampling design

Non-Probability sampling

Non-Probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. The items in the population are selected deliberately. The personal element has a great chance of entering into the selection of the sample. Basically the research has been conducted based on the road survey, so population is distributed very wide. Here convenience sampling technique has been used.

1.6.3 Method of data collection

The method of data collection is very much from the primary source. The questions are well structured and collected through schedule. There little difference which lies in the fact that schedule (Performa containing a set of questions) are being filled by the researchers who under take the study. Being the survey conducted on the road the schedule being used for the recording the desired expression by the respondents.

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 is selected brand bike users in Coimbatore.

1.6.5 Tools of analysis

The analysis is done with the percentage analysis, weighted average, rank correlation and chi square test . The percentage method has been chosen because the method provides the accurate results and weighted average provides the importance of the factors in the study.

1.7 Limitations

- The population is limited only to 150 respondents.
- Geographical area span with in Coimbatore city limit.
- The data collection is based on the convenience sampling so there shall be bias in the collection of data.

1.8 Chapter Scheme

This project is divided into 5 chapters.

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

Chapter 2 covers history of the organization, management, organization structure, service profile, competitive strength, future plans and various functional areas.

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

Chapter 4 covers data analysis & interpretation through representation of various tables and graphs

Chapter 5 deals with result, discussion and recommendation provided for the study.

Organization profile

Chapter 2

ORGANIZATION PROFILE

2.1 History of the organization

Pressana Motors was founded by Mr. Balasubramaniam and Mr. P.S .Senthil Kumar on July 2004. The Dealership premises was opened with Mrs Usha, Chairman Kirthilal Kalidas Jewelers,presiding the function. At the time of opening Pressana Motors was the exclusive dealership for Honda Motors and Scooters India in the city of Coimbatore.

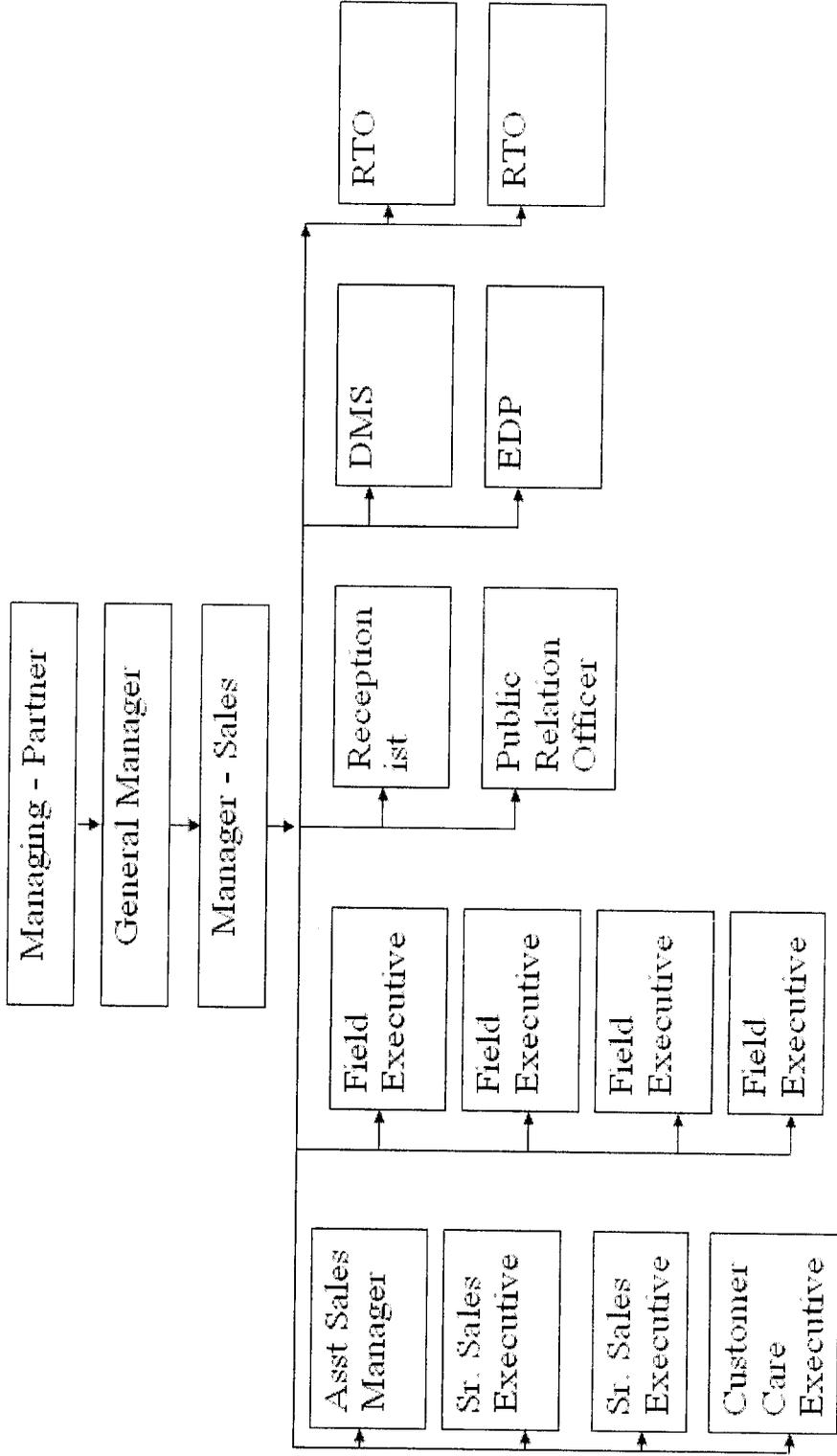
The Organization was started with one showroom and service station within the premises on Avinashi Road. It was started with 20 employees.

2.2 Management

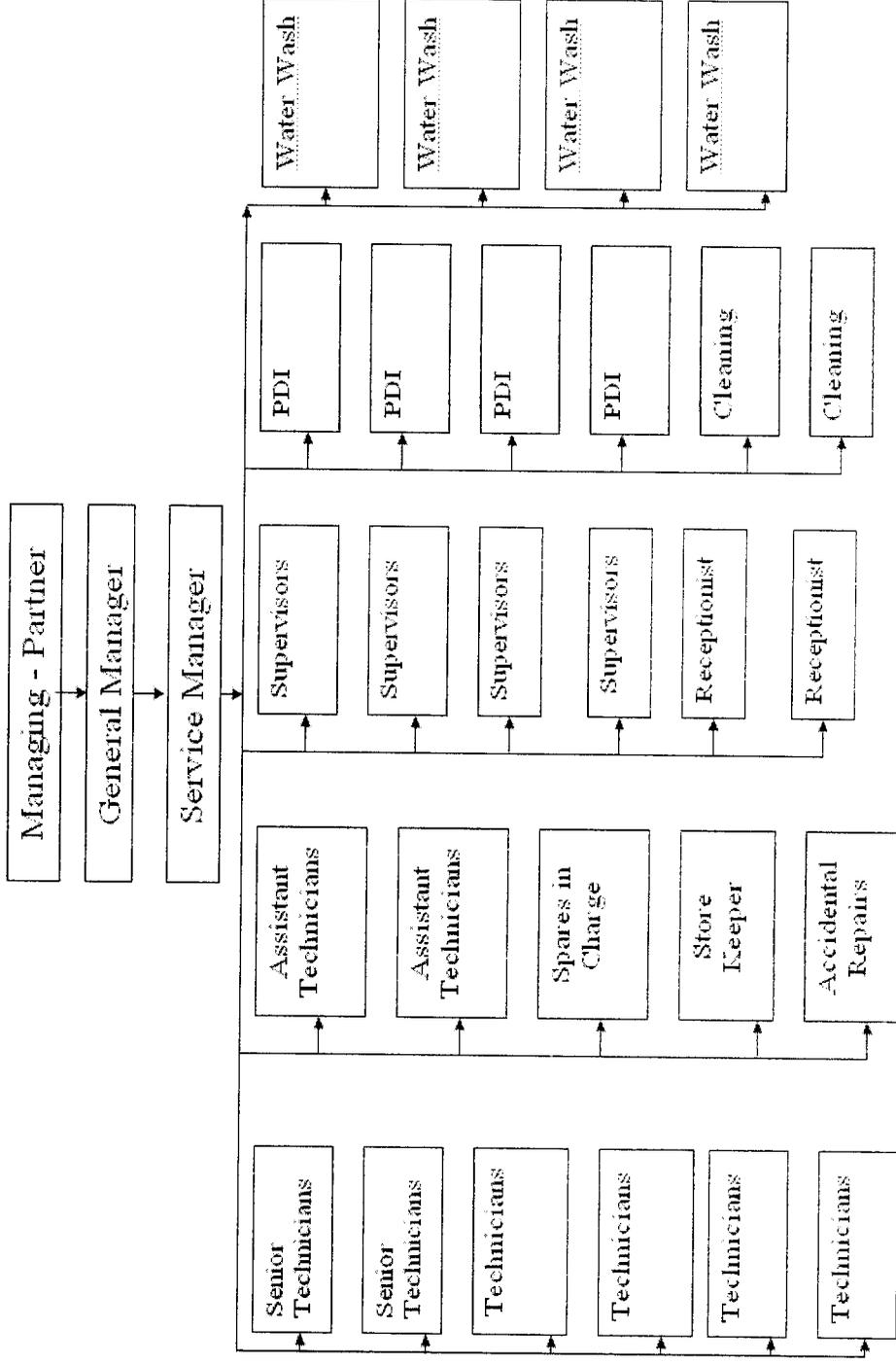
The management consists of:

Balasubraminam	Founder and Partner
P.S.Senthil Kumar	Founder and Managing Partner
Mrs. Devikala	Managing Director
A.Yoganathan	General Manager
C. Sunil Kumar	Sales Manager
Michel	Service Manager.

2.3 ORGANIZATION STRUCTURE ----- (Sales Dept)



ORGANIZATION STRUCTURE ----- (Service Dept)



2.4 Product profile

HMSI works on a Market-IN concept, which focuses on understanding customer needs and desire and translating them into product specifications. It is due to this concept that with in just five years of its launch in India, HMSI has changed the Indian two wheeler market with its products – Honda Activa, Dio, Eterno, Unicorn & Newly launched Shine.

SHINE:

A masterful blend of form and function, the new Honda Shine brings together the best of all that is sought in a motorcycle into one awe inspiring piece of automotive technology.

Equipped with a host of advanced technologies like Multi Mapping CDI, Tumble Flow Combustion Chamber, Long Intake Pipe and Connecting Tube, CV Carburetor, 2 Way Air Jacket and Pulse Exhaust System, the newly developed 125 cc 'Optimax' engine delivers class leading 10.3 BHP which enables Honda Shine to deliver the best balance of pickup and mileage.

Designed to ensure superior ride quality and ease of handling through revolutionary Ergo Tec design, which is based on Human engineering Honda Shine will set new benchmarks in the Indian 125cc motorcycle segment.



Honda Shine completes a 0 – 60kmph run in just 5.3 secs and returns a class leading 65kmpl in the process in the Indian riding mode.

Honda Shine has been endowed with new modern intelligent style appeal, which possesses a balance of decent looks with tough & macho appeal and an image of sporty looks with international taste that lends the HONDA SHINE a Decent and stylish look.

UNICORN:

Powered by a newly developed Honda 4-stroke 150cc engine and incorporating many cutting-edge technologies developed by Honda's global R&D team, Unicorn sets new benchmarks for premium motorcycles in India with its swift acceleration, superior mileage, captivating style, riding comfort and convenience.

Unicorn is engineered and styled for the tastes of the younger generation having focused vision in lives. With the 4-stroke 150cc engine delivering a whooping 13.3 bhp, Unicorn is the fastest premium motorcycle in India racing from 0 to 60 kms per hour in a mere 5 seconds. Unicorn has a distinctive sporty and macho design with a racy front face, masculine fuel tank with knee grip and a natty rear

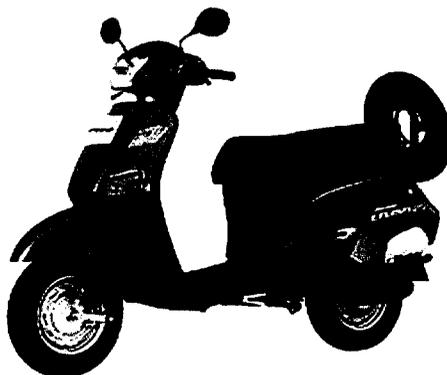


Unicorn offers superior mileage through a combination of the famed 4-stroke Honda engine, cutting edge technologies like Multi-Mapping CDI, Tumble Flow Combustion Chamber and Roller Rocker arm, and a classy aerodynamic body. It delivers 60km to a litre. Unicorn is the first motorcycle in India with the hi-tech mono suspension that enhances riding comfort and control, and is now available in new Sleek Graphics.

ETERNO:

An entirely new standard in scooters. Tough, sleek and with the best mileage in its class. Designed especially for the Indian conditions & to suit your everyday needs. The Eterno is a tough & stylish 4-stroke scooter incorporating the best of Honda's worldwide

technology standards. Right from the engine to the body frame, each part is designed to be more durable & withstands the rough & tough Indian conditions.



ETERNO is a new Indian standard scooter that defies conventional ideas about a full size scooter in India. To those who have resigned to the fact that present full size scooters do not satisfy their basic needs of riding comfort, loading capacity & better fuel efficiency,

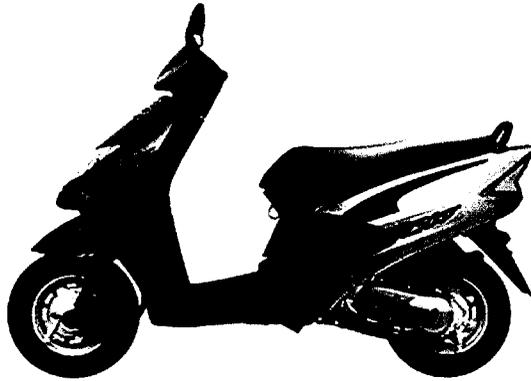
ETERNO is a big surprise as it has got:

- Reliable, newly designed 4-stroke 150cc engine
- Best fuel efficiency in its class (60 kmpl)
- Ample, practical loading capacity
- Riding comfort even during multiple ride
- Masculine, tough & sleek styling

So shed your worries about the full size scooter as "Geared Surprise from Honda is here." So, go ahead & enjoy the ride.

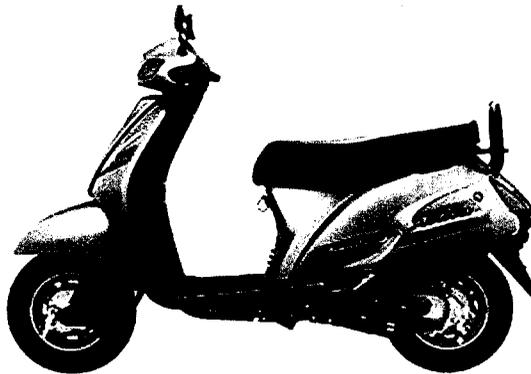
DIO:

One look at DIO will tell you it's more an accessory than a mere convenience. As India's first motoscooter, it blends the looks of a motorcycle with the comfort of a scooter. The body-mounted headlamp and sleek indicators leap right off the front. Ample legroom gives you an elegant poise. The body tapers into the tail light and yet continues to draw attention. Of course, the DIO qualifies us to have the last word on style. If there ever existed an attention magnet, the DIO is it.



HONDA ACTIVA:

Honda Activa is the first scooter model of HMSI for the Indian market. It has been designed in a manner that suits the daily requirement of the entire family and has been designed for everyone.



Market Potential:

The company leads the other HMSI Dealer in the city “Chandra Honda” , in sales by a clear margin. It manages to sell around

1. Activa - 200 – 250 units/month
2. Shine - 80 – 100 units/month
3. Unicorn - 40 – 50 Units/month
4. Dio & Eterno - Less than 5 units /month.

Their potential in sales will increase once they open two more sales facilities.

2.5 FUTURE PLANS:

The company plans to open two new sales and service outlets in TIRUPPUR and POLLACHI Towns.

2.6 COMPETITIVE STRENGTH OF THE COMPANY

The location of the dealership in at one of the important areas of the city which helps them to increase the sales.. Pressana Motors provide free Insurance for the two wheelers sold. This was done with an agreement with HMSI. The company provides Bajaj Allianz and Tata AIG Insurances. These are the upcoming brands in the automobile insurance sector.

The company has a total of three service centers – one beside the dealer ship, one at ganapathy and one at Ukkadam. This makes Presanna Motors the most sought after place for servicing than Chandra Honda.

2.7 Description of various Functional areas

- Sales
- General Service
- Service-spare

2.7.1. Sales

Here the sales of the all the Honda bikes and scooters are taken care by 15 employees with 2 managers who guide the other employees. The managers give specific target to the field executives.

2.7.2. Service – General Service

The service advisor is directly involved in fulfilling the requirement of customers. The free services are performed according to the warranty period. The free service is provided with water and labor charges, but costs of the spares are excluded. The general service section consists of 25 workers.

2.7.3 Spare parts

This department is the in charge of the various materials issued for the both the service shops. The spare manager keeps the track of the flow of the materials and stocks them according to the requirement. If any part is not available the order is sent to the Honda spare part office and the order is placed

Micro & macro analysis

Chapter 3

MACRO & MICRO ANALYSIS

3.1 History of Honda Motor Corporation:

Started in 1946 by Soichiro Honda who wanted to produce cheap transportation for the people after the Second World War. Today Honda has become the largest motorcycle manufacturer in the world.

Honda started by using old army engines but later developed their own 50cc engine. The first real Honda bike was produced in 1949 called the Model D (Dream) which was followed due to the success of the 'D' by model J Benly.

Honda started to make an international name for itself with the introduction of the CB models. Started by a CB72 (250cc) and the CB77 (305cc). However the first series used the old press steel frames and the better road handling came with the introduction of the steel tubular frames in the CB92. The CB77 (super hawk) was excellent reliable motorcycle which out preformed many similar English models.

Honda introduced in 1958 the C100 Super Club motorcycle as a sports, leisure, easy going, convenient and reliable bike with a great marketing campaign (you meet nice people on a Honda) that blasted the C100 to a best selling bike of all times. And it was only a humble scooter styled motorcycle.

Honda started building bigger engine bikes with the first model CB450 in 1965. The black bomber / black hawk was an attack to the dominating English bikes in this area. Although the CB450 didn't match the British motorcycles (yet) the competition had begun.

One step up from the 450 was the introduction of the CB750 in 1969. Which was beyond its class at the time. A smooth operating mass produced 4 cylinder bike with excellent handling. It dominated the market at the time and sold very well world wide.

Honda didn't upgrade the CB750 over the years so despite its success it started to lose popularity towards the end 70's.

Honda did change the model line of the CB750 to include smaller models like the CB500 (1971) and the CB400 (1975). Both bikes were very successful mainly due to the fact of weight reduction of the big brother CB750 which gave them huge maneuverability advantage.

As the modern day cruiser the Honda Gold Wing (Interstate – USA, deluxe – Europe) was introduced in 1980 and has stayed in production ever since. You actually like or hate the Wing but fact of the matter is that world wide no other model has such a high fan base. The full fairing Gold Wing was developed on the GL1000 Gold Wing of 1975.

Two years later in 1982 the new model Gold Wing was released called the Aspencade. Also a big hit with improved luxury features including backrest, music system, adjustment computer and much more). In 1988 the GL1500 Gold Wing was launched and was the biggest most complex bike of its time. Only to be surpassed by the GL1800 Gold Wing.

Honda developed a really cool looking street bike called the CBX1000 in 1978. It was a pure big bike with a street look and chrome pipes. The looks, power and even effortless drive didn't make this model to be a success. Honda adjusted it to a modest sports tour bike called the CBX-B.

Honda produced a series of specialized bikes for racing and engineering goals. A few examples being the CB1100R making a most powerful four cylinder unit yet. And the turbo charged CX500 – CX650 turbo. Or the NR500 a super expensive, beautiful designed superbike.

Started in the 1980's Honda developed a series of V-four engines which setup the model line of Honda VF's ranging between 400cc and 1000cc. But due to mechanical problems the VF line never really got going.

Much to the contrary of the following VFR line, VFR 750R (RC30) in 1988 which was an enormous hit right from the start. A sporty tour motorcycle, well balanced, reliable and well powered. The design of the VFR change in 1990 with the VFR750L and again with the introduction of the VFR800FI. In 2002 the super popular VFR underwent a new radical design change making it even sporty but still keeping it's tour character.

Launched in 1987 the middle ranged CBR600F is a long established success story in the middle range motorcycle sports class. The handling of the 600cc engine power and regular updates have been an ongoing success for Honda. The CBR600RR 2003 model has had a redesign which puts it closer to the racetrack roots than ever before.

The Fireblade (also a CBR model) was a new chapter for Honda and motorcycle fans worldwide. The introduction of the CBR900RR (893cc) in 1992 was a huge improvement with what was then out on the market. This came largely because of the engine capacity in a smaller light frame. The bike was redesign a few times but only regained it's original success with the 2000 model fireblade CBR929RR (929cc). Two years later the power was increased once again to 954cc.

Not built for super handling but a more as a straight lined rocket the CBR1100XX Super Blackbird (1137cc) which became the fastest production bike in 1996. The Blackbird was only popular as a long range high speed tour.

3.2 TYPES OF MOTORCYCLES

Road motorcycles:

Road motorcycles are motorcycles designed for being ridden on paved roads. They feature smooth tires with a light tread pattern and engines generally in the 125 cc and over range. Most are capable of speeds up to 100 mph (~160 km/h), and many of speeds in excess of 125 mph (~200 km/h).

In India and Pakistan, motorcycles are more popular than cars as means of transport due to cost of ownership. Typical displacements are small (50 to 350 cc), and as

a result these motorcycles give better fuel economy — reportedly 40-80 km/L (94-188 mpg) being common.

Road motorcycles are themselves broken down into several sub-categories.

Cruiser

These motorcycles mimic the style of American machines from the 1930s to the early 1960s, such as those made by Harley-Davidson, Indian, Excelsior and Henderson, even though they have benefited from advances in metallurgy and design. The riding position places the feet forward and the hands up, with the spine erect or leaning back slightly, which many find to be more comfortable for long-distance riding. The riding position of American style Cruisers and Choppers evolved from the saddle and riding position used by Western Cowboys. This position allows greater long distance comfort, with some compromise of control.

Chopper-style motorcycles would be categorized as a type of cruiser. Some cruisers may have limited performance and turning ability because of a low slung design. Riders who enjoy cornering at higher speeds may need to customize to enhance lean angle, or start with a performance or sport-cruiser. Cruisers are often custom projects that result in a bike modified to suit the owner's ideals, and as such are a source of pride and accomplishment. Cruisers are sometimes called custom even in the absence of aftermarket modifications

Sport bike

Sport bikes, sometimes called performance bikes or "crotch rockets", are typically much smaller and lighter than cruisers, and are essentially consumer versions of the motorcycles used in Motorcycle sport, which they are generally only a few years behind in technology. The meaning of the term "Superbike" has changed over time since it was coined to describe Honda's CB750 of 1969. Nowadays the definition is drawn from the production racing series, World Superbike where engines are limited to 1000cc. The term "Supersport" is also derived from racing with a 600cc limit for four cylinder engines and a 750cc limit for twins.

The riding position places the feet towards the back, the hands low and the spine inclined forward. Sportbikes derive their seating position from sporting oriented horse riding, notably the English Saddle. Sport bikes are almost invariably capable of very high speeds as compared to most vehicles, with great stability in corners. Large-displacement sports bikes offer large power-to-weight ratio with explosive acceleration; most bikes reach 100 km/h from stand still at or about 3 seconds and can do a quarter mile under or about 10 seconds. They are difficult to manage by those not experienced in their operation; for the less-experienced or who have requirements of a smaller, lighter vehicle, smaller-displacement, sub-75 horsepower (56 kW) motorcycles are also manufactured. The 2006 Kawasaki Ninja ZX-14 (stock) can reach 100 km/h (62 mph) under 2.5 seconds and does a quarter mile in 9 seconds flat with an experienced rider, however top speed is electronically limited to 300 km/h (186 mph). The many engine sizes available often reflect the difference professional and amateur racing classes which adhere to strict engine-size and weight rules. The late 1990s saw "power wars" between various motorcycle manufacturers that culminated in Suzuki's 1300 cc GSX-1300R Hayabusa, the first production motorcycle to exceed 300 km/h (186 mph), and Kawasaki's ZX-12R, designed to exceed 320 km/h (200 mph). The Japanese manufacturers have allegedly had "gentlemen's agreements" to limit production motorcycle engines to a maximum output of 125bhp in the 90s & later a maximum speed of 300 km/h (186 mph) in an effort to promote safety - typically accomplished with an electronically-controlled speed governor. Aftermarket manufacturers, however, do not hesitate to satisfy the need for even greater speeds - several produce parts or systems designed to defeat the factory-installed speed limiters.

Touring

Although any motorcycle can be so equipped and used to tour with, manufacturers have brought specific models designed to address the particular needs of long-distance touring and heavy commuting riders to market. Common to the touring market is usually large displacement fairings and windshields (to offer a high degree of weather and wind protection), large capacity fuel tanks (for long ranges between fill-ups) and a more relaxed, more upright seating position than sport-bikes. These motorcycles

can be further subdivided into multiple sub-categories, which are commonly used terms within the motorcycle industry.

Naked bike

Also known as a "standard" or "street bike", this is the basic form of the motorcycle stripped down to its fundamental parts, with the front wheel visible from the rider's position. The emphasis is on functionality, performance and ergonomics rather than aerodynamic body panels and exaggerated riding positions that are most common on sport bikes.

This style of motorcycle became the "norm" in the 1970s and early 1980s (with the advent of the Universal Japanese motorcycle), but fell out of favor as motorcycles evolved and niches developed for sport, touring, and cruising. The "naked" saw a resurgence at the end of the 1990s, driven in large part by the European market, with many manufacturers releasing new models with minimal or no fairings. Current naked bikes are usually given a modern, more-or-less sporting suspension, unless they are intended to be have "retro" styling. The BMW's K1200R, R1200R, and F650CS, and the Ducati Monster, Yamaha FZ1, Honda 919, Honda Hornet (599), and Suzuki GSF600 Bandit are popular examples of naked motorcycles. Large engine displacement versions of naked motorcycles, especially those built in Japan, are often referred to as "muscle" bikes.

Feet-forwards motorcycle

With a feet-forwards motorcycle, the rider's feet are positioned ahead in a position (like a car), rather than below and astride, as with conventional bikes. Usually these are designed with a low-slung faired body, with the rider in a reclining position. These motorcycles are somewhat experimental and hard to find.

Scooter

Motor scooters are similar to motorcycles and are also designed for being ridden on the road. Scooters usually have the engine as part of the swingarm, ie. their engines

travel up & down with the suspension. They are often have smaller wheels (generally less than 14 in (357 mm) diameter), automatic transmissions, small (generally less than 125 cc) engines, and a step-through configuration allowing the rider to ride with both feet on a running-board and knees together. In Mediterranean Europe, particularly Italy, scooters are very popular. In the United States scooters have long been a fixture on college campuses and strapped to the back of Recreational Vehicles due to their portability and exceptional fuel economy. However much larger scooters with engine displacements greater than 250 cc are becoming more popular. The Honda Silver Wing, Honda Reflex, Yamaha Majesty and Suzuki Burgman are the most popular "maxi-scooter" models available in the United States. Australia is about to introduce the Honda Silver Wing 650cc in Late November 2006.

Moped

The moped used to be hybrid between the bicycle and the motorcycle, equipped with a small engine (usually a small two-stroke engine up to 50 cc, but occasionally an electric motor) and a bicycle drivetrain, and motive power can be supplied by the engine, the rider, or both. In many localities, mopeds are subject to less stringent licensing than bikes with larger engines and are popular as very cheap motorbikes, with the pedals seeing next to no use. Mopeds were very popular in the United States during the late 1970s and early 1980s, but their popularity has fallen off sharply since the mid 1980s.

- Underbone - In Asia, moped were usually call as Underbone Motorcycle.

Dual-sport, adventure-touring and Supermoto

Dual sport machines are road going machines styled like off road machines (typically resembling enduro machines). These machines tend to lack the competitive features of off road competition machines, being primarily intended for road riding, with some "green lane" capability.

Adventure-touring machines are much large capacity road machines intended for touring like road tourers but with gravel tracks in mind. Their weigh and other features

precludes them from tackling the extremes of off road where off road machines are found.

Suppermoto machines are motocross and enduro machines (typically 50cc to 550cc) fitted with road racing tyres while keeping the other features synonymous with off road machines. They compete over a course that mixes tarmac (ie road racing) and off road (eg motocross) sections.

Farm bike

These adaptations of trail bikes were first used by dairy farmers in New Zealand from the early 1960s. They wanted a light, simple machine that could be started easily and that would negotiate particularly muddy paddocks and steep hillsides in all weathers. A range of bikes were tried by a number of farmers and they came to use a mild-off-road machine that could carry a good load (mainly a tray for their dogs, instead of a rear seat) that was easy to mount, start and ride with heavy rainwear. Large profile low-pressure tyres with knobby tread were found best for grass, mud and rocky tracks. Ultimately Japanese manufacturers developed a range of specialised bikes—about the time that the farmers came to use ATVs instead.

Despite the development of the ATV, farm bikes retain certain advantages for some tasks. They are faster on uneven ground, which can be useful in rounding up livestock, and most are quicker in an on-road setting (and can be registered for on-road travel). They can also operate safely on steep terrain where ATV's have a risk of rollover. For these reasons, farm bikes are still reasonably common in some places.

Derny

A Derny is a specialized type of motorcycle that is designed and built for use in track cycling events where a derny driver blocks the air-resistance for a racing bicycle riding close behind the derny.

Towing

Aftermarket trailers designed to be towed by motorcycles are available. However, because of the added risk involved, no manufacturer of single-track motorcycles recommends that they be used to tow trailers.

Although there are aftermarket trailers that allow motorcycles to tow, factory-made motorcycles specialized for towing are rare. The only known vehicle for towing is *Retriever* by a Swedish company named Coming Through, which is a modified version of Honda GL 1800 GoldWing. With the use of a high torque engine, low centre of gravity design, and retractable trailer, towing motorcycles can reduce response time for retrieving cars and light trucks on congested roads.

The same limitations of solo motorcycles do not apply to "outfits" or sidecar equipped motorcycles. It is not known when the first sidecar drawn trailers appeared, but as far back as 1928, Rudge offered a caravan for it's outfits and towbars are an aftermarket accessory offered for the current sidecar equipped Ural motorcycle.

Harley Davidson made a factory trike for towing from 1932 to 1973. Called the Servi-Car, it was a conceptual copy of the Indian Dispatch-Tow. It could also push the vehicle from behind while someone steered. It had nearly the same 750cc engine through all the years it was made. The greatest change was a redesign of the oil system in 1936 to recirculate the oil instead of dumping it on the ground as was customary on motorcycles at that time.

Concept bikes

Concept bikes are one-off motorcycles built as prototypes to test or showcase the desirability of a design, the integration of new technologies, cost effectiveness, or general design studies. Most concept bikes never see the light of day as full mass-production vehicles; those that do rarely match the original concept perfectly, instead representing a combination of some of the concepts presented in the proto-type combined with marketing realities and tooling capabilities of the manufacturer.

3.3 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:

It's 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," John Wyckoff, a veteran industry consultant, tells American International Automobile Dealers. "It just took off like a flying goose."

And the market's long-term trajectory is just as impressive. "Our industry's 12-year growth cycle is nothing short of spectacular," says MIC president, Tim Buche. "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 motorcycles could clear 1 million. Overall, the association anticipates revenues to exceed \$20 billion 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 *IndustryWeek* 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 the industrialized Triad (i.e., the U.S., Japan and Western Europe), where motorcycles are seen as pleasure vehicles by consumers already owning one+ automobile(s); the other, a much larger market in unit terms, is found in the emerging economies of Asia, where motorcycles are seen as primary family and work vehicles. The latter 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

3.4 HISTORY OF INDIAN TWO WHEELER INDUSTRY

India is the second largest manufacturer and producer of two-wheelers in the world. It stands next only to Japan and China in terms of the number of two-wheelers produced and domestic sales respectively. This distinction was achieved due to variety of reasons like restrictive policy followed by the Government of India towards the passenger car industry, rising demand for personal transport, inefficiency in the public transportation system etc.

The Indian two-wheeler industry made a small beginning in the early 50s when Automobile Products of India (API) started manufacturing scooters in the country. Until 1958, API and Enfield were the sole producers.

In 1948, Bajaj Auto began trading in imported Vespa scooters and three-wheelers. Finally, in 1960, it set up a shop to manufacture them in technical collaboration with Piaggio of Italy. The agreement expired in 1971.

In the initial stages, the scooter segment was dominated by API, it was later overtaken by Bajaj Auto. Although various government and private enterprises entered the fray for scooters, the only new player that has lasted till today is LML.

Under the regulated regime, foreign companies were not allowed to operate in India. It was a complete seller market with the waiting period for getting a scooter from Bajaj Auto being as high as 12 years.

The motorcycles segment was no different, with only three manufacturers viz Enfield, Ideal Jawa and Escorts. While Enfield bullet was a four-stroke bike, Jawa and the Rajdoot were two-stroke bikes. The motorcycle segment was initially dominated by Enfield 350cc bikes and Escorts 175cc bike.

The two-wheeler market was opened to foreign competition in the mid-80s. And the then market leaders - Escorts and Enfield - were caught unaware by the onslaught of the 100cc bikes of the four Indo-Japanese joint ventures. With the availability of fuel

efficient low power bikes, demand swelled, resulting in Hero Honda - then the only producer of four stroke bikes (100cc category), gaining a top slot.

The first Japanese motorcycles were introduced in the early eighties. TVS Suzuki and Hero Honda brought in the first two-stroke and four-stroke engine motorcycles respectively. These two players initially started with assembly of CKD kits, and later on progressed to indigenous manufacturing. In the 90s the major growth for motorcycle segment was brought in by Japanese motorcycles, which grew at a rate of nearly 25% CAGR in the last five years.

The industry had a smooth ride in the 50s, 60s and 70s when the Government prohibited new entries and strictly controlled capacity expansion. The industry saw a sudden growth in the 80s. The industry witnessed a steady growth of 14% leading to a peak volume of 1.9mn vehicles in 1990.

The entry of Kinetic Honda in mid-eighties with a variometric scooter helped in providing ease of use to the scooter owners. This helped in inducing youngsters and working women, towards buying scooters, who were earlier inclined towards moped purchases. In the 90s, this trend was reversed with the introduction of scooterettes. In line with this, the scooter segment has consistently lost its part of the market share in the two-wheeler market.

In 1990, the entire automobile industry saw a drastic fall in demand. This resulted in a decline of 15% in 1991 and 8% in 1992, resulting in a production loss of 0.4mn vehicles. Barring Hero Honda, all the major producers suffered from recession in FY93 and FY94. Hero Honda showed a marginal decline in 1992.

The reasons for recession in the sector were the incessant rise in fuel prices, high input costs and reduced purchasing power due to significant rise in general price level and credit crunch in consumer financing. Factors like increased production in 1992, due to new entrants coupled with the recession in the industry resulted in companies either reporting losses or a fall in profits.

Yamaha motors opened its wholly owned Indian operations by 2000 and still they are thriving for success with meager sales volume when compared to industry average. Honda motors and scooters India, a wholly owned subsidiary of Honda motor corporation commenced its Indian operation in august 1999 with a single model(Activa scooter).

3.5 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 recognised 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 realise 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. 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.

A Growth Perspective

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 two-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 Figures 1, 2 and 3 depicting total sales, share and annual growth during the period 1993-94 through 2003-04.

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 . 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.

Figure 1: Demand for Motorcycles, Scooters and Mopeds

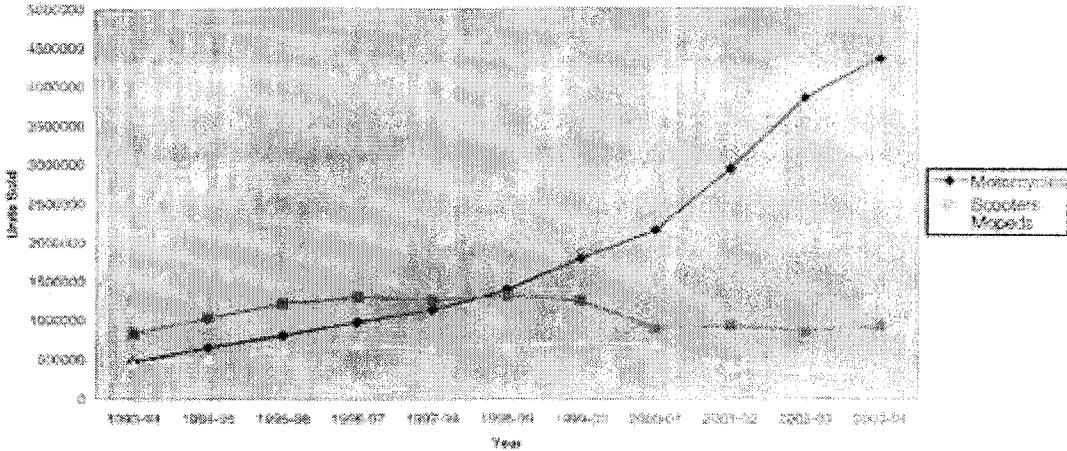


Figure 2: Change in Status within Two-wheeler Industry

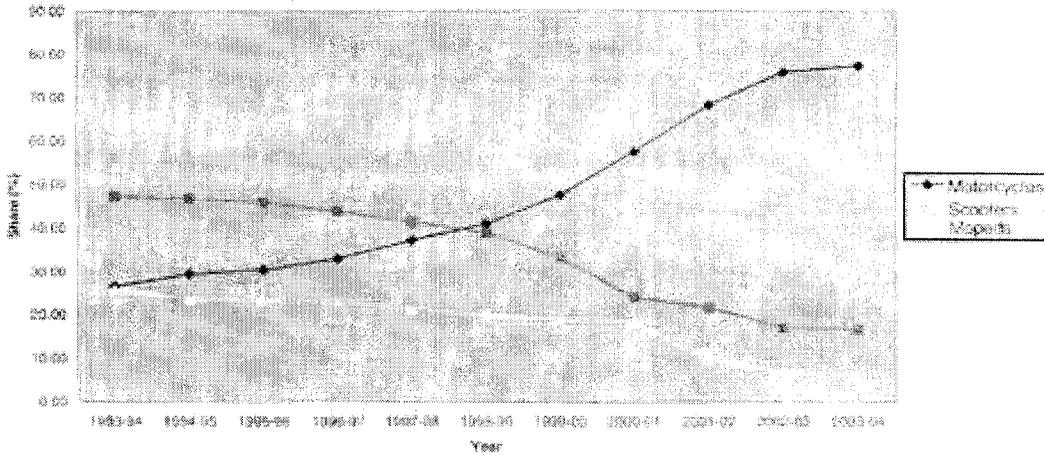
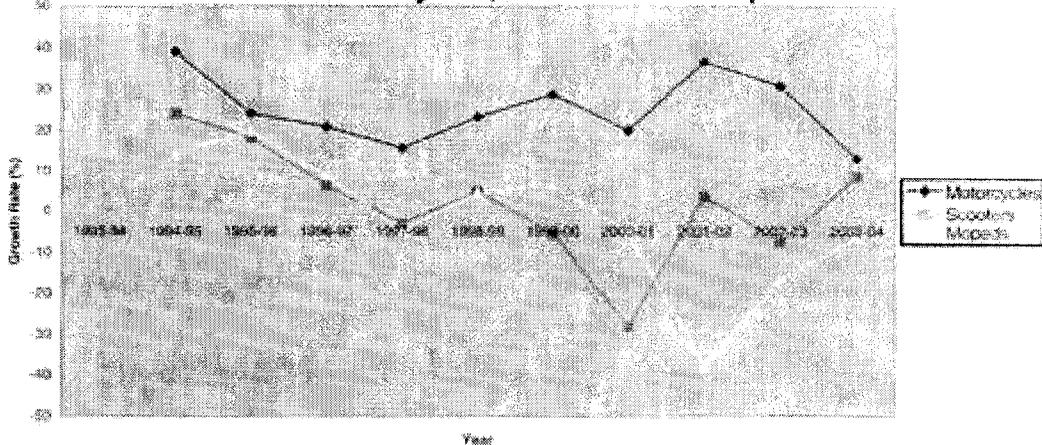


Figure 3: Annual Growth in Demand for Motorcycles, Scooters and Mopeds



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 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 of the demand for scooters in 2011-12.

Table : 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

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 visualise a higher growth rate in two-wheeler demand than presented in Table , 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 prioritised 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 focussed 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.

The automobile industry in general and two wheeler industry in particular has shown a tremendous growth over the recent years. According to the **Society of Indian Automobile Manufactures (SIAM)** the industry has grown by 16% in the year 2003/2004. Two Wheeler segment as a whole during the year 2004/05 grew by over

15%. This growth has been due to the Government's initiative on rural roads and better connectivity with major towns and cities, improved agricultural performance, upward trend of purchasing power in the hands of rural people. The two wheeler industry was able to achieve the record performance of crossing 6 million two wheelers with exact sales standing at 6,208,860 during the year 2004-05. The northward trend of growth among the two-wheelers is set to continue in the years ahead. A brief input about the growth of various segment of two-wheelers with the statistics from their leading manufactures are as follows.

Scooters

2001-02	2002-03	2003-04	2004-05	2005-06
937506	848434	935279	987498	1020013

Though the metal bodied geared scooters have fallen out of favor of the Indian two-wheeler user their upward trend in growth has been due to rise in the sales of Scooterettes and Motor Scooters. Bajaj Auto has been able to sell 152,936 units in the year 2004/2005 of two wheelers which don't include motorcycles. They have shown a negative trend in the two wheeler segment other than the motorcycles. This goes on to show that Bajaj Auto has lost its supremacy in the Scooter and moped segment as they have shifted focus to motorcycles.

Motorcycles

2001-02	2002-03	2003-04	2004-05	2005-06
2906323	3876175	4355168	5193894	6201214

Motorcycles as has been mentioned through out this website have become the most preferred choice among all two-wheeler users. They account for nearly 80% of the total two wheeler sales in the country. This trend is set to continue as more and more models of this hot set of two wheelers enter the market. Bajaj Auto one of the largest manufactures of two wheelers in the country has managed to sell about 1,449,710 units of motorcycle in the year 2004/2005. Hero Honda which claims to be the largest

manufacturer of two-wheeler in the world was able to sell 2.62 million motorcycles during the year 2005/2006. The company also accounts for half the market in the motorcycle segment.

Mopeds

2001-02	2002-03	2003-04	2004-05	2005-06
427498	351612	332294	348437	379574

Mopeds which were once the entry level options in the two-wheeler, have been replaced by entry level or price category bikes which provide all the comfort and advantages of a motorcycle but at an affordable price. Thus it has not come as a surprise that mopeds have shown a negative growth over the recent years. TVS Company one of the pioneers of mopeds manufactures of India was able to sell about 2.90 lakh of mopeds during 2005/2006. This trend is supposed to continue in the days to come, as the motorcycles race ahead other two-wheelers will find it difficult keep up with the pace of their growth.

Analysis & Interpretation

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

Table 4.1: Age distribution of the customers

Age Group	No. of Respondents	Percentage
<30	51	34%
30 – 40	71	47%
>40	28	19%
Total	150	100%

Interpretation

The table 4.1 classifies the respondents according to their Age. About 34 % of the respondents are of the age group less than 30. Another 47 % of the respondents are of the age group between 30 to 40 years of age. Remaining 19 % of the respondents are above 40 years of age.

Chart 4.1

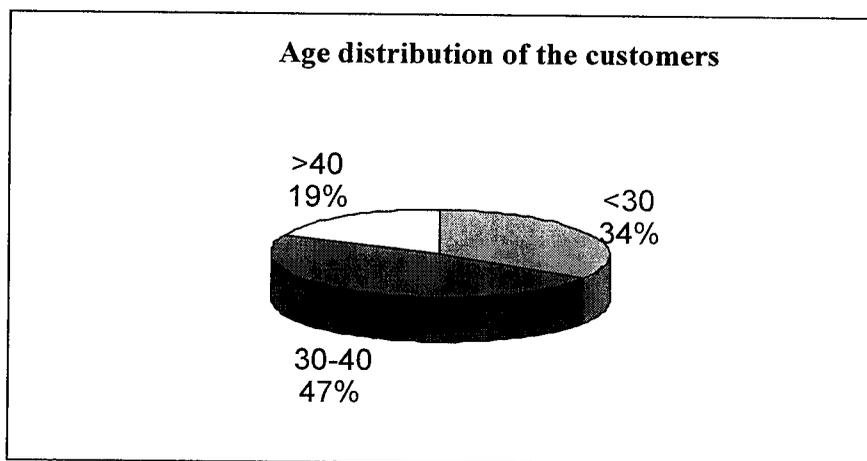


Table 4.2: Income level of the respondents

Income Level	No. of Respondents	Percentage
<10,000	38	25
10,000 to 20,000	49	33
>20,000	63	42
Total	150	100

Interpretation

The table 4.2 shows that the respondents are widely distributed among the various income levels. About 25 % of the respondents earn less than Rs. 10000/month. Another 33 % earn between rupees 10000 to 20000/month. The remaining 42 % earn more than Rs.20000/month.

Chart 4.2

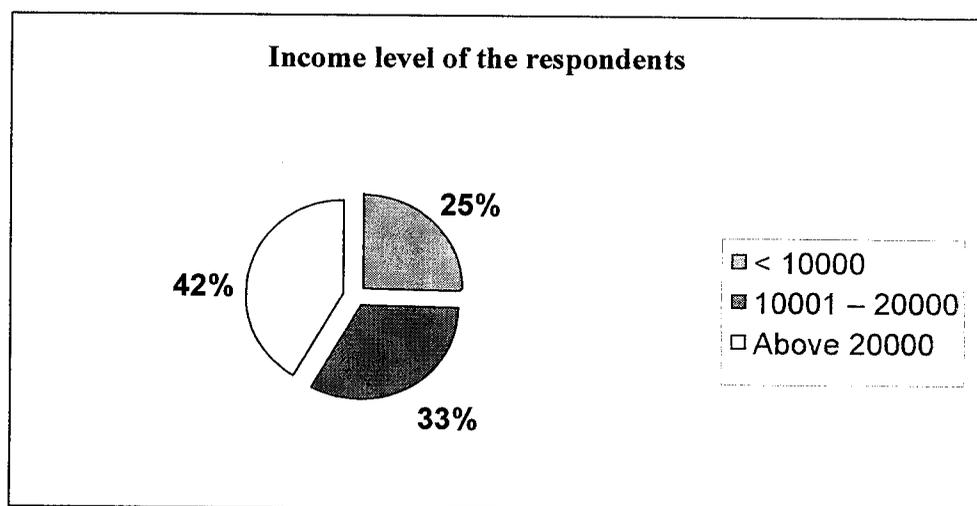


Table 4.3: Percentage of respondents owning a Honda Shine

Response	No. of Respondents	Percentage
Yes	75	50
No	75	50
Total	150	100

Interpretation

The above table infers that majority of the respondent's i.e. 75 respondents out of 150 own a Honda Shine.

Chart 4.3

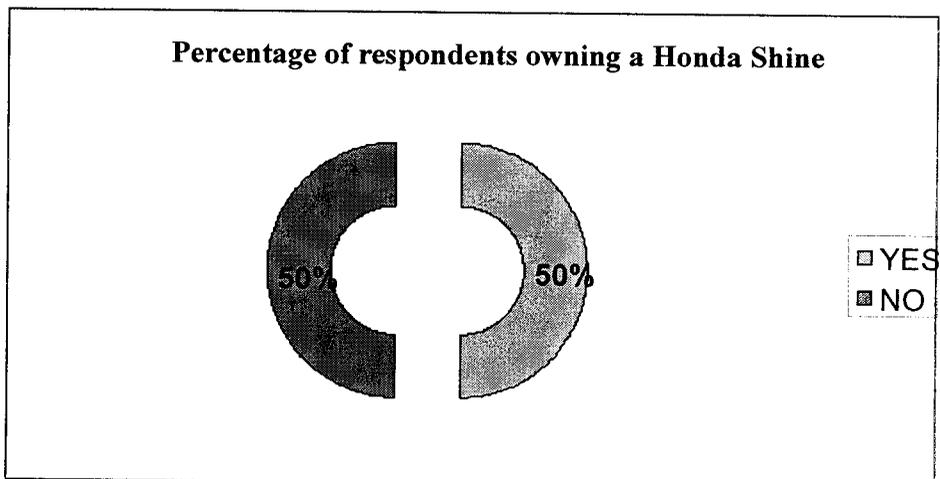


Table 4.4: Distance traveled per day

Distance in Km	No. of Respondents	Percentage
<30	5	7
30-50	29	39
50-75	31	41
75-100	8	11
>100	2	3
Total	75	100

Interpretation

The table 4.4 shows that out of 75 respondents 7 % of them ride less than 30 Kilometers a day, 39 % of the respondents ride 30 to 50 Kilometers a day, 41% ride between 50 – 75 Km a day, 11% ride between 75 – 100 Km a day and remaining 3% of the respondents ride more than 100 Kilometers a day.

Chart 4.4

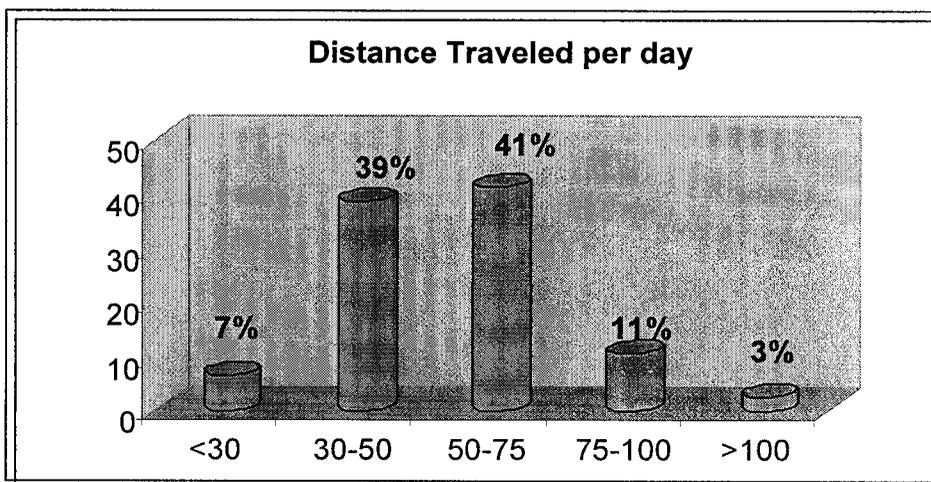


Table 4.5: Ranking of factors for purchase of Honda Shine

Factors	Weighted average	Rank
Mileage	1.347	I
Performance	1.853	II
Price	2.067	III
Style	2.427	IV
Brand Image	2.533	V
Puncture Resistant Tube	2.867	VI
Engine	3.387	VII
Reliability	3.467	VIII
Handling	3.880	IX
Weight	4.907	X

Interpretation

The table 4.5 shows that respondents have ranked mileage, performance, price, style, brand image, puncture resistant tube, engine, reliability, handling & weight from rank 1 to 10 respectively.

Table 4.6: Customers Perception towards value for money

Response	No. of customers	Percentage
Yes	58	77
No	17	23
Total	75	100

Interpretation

The table 4.6 shows that out of 75 respondents 77 % of them feel that the bike offers good value for money and remaining 23 % feel that Honda Shine does not offers good value for money

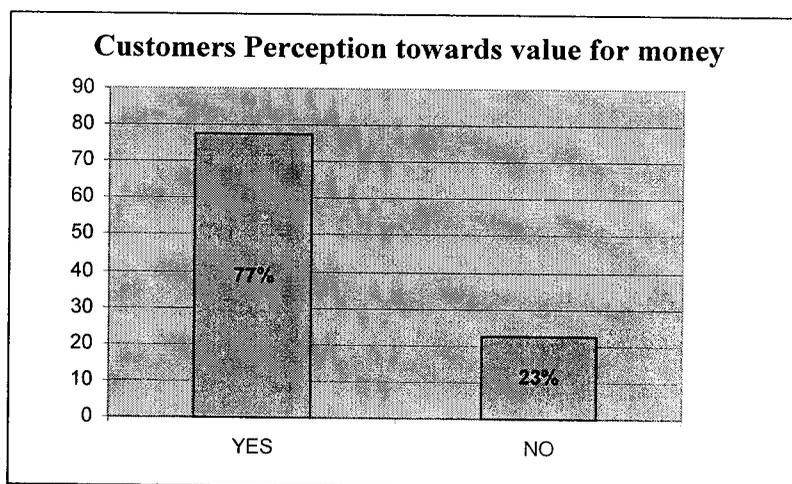


Table 4.7: Satisfaction level towards bikes performance

Satisfaction Level	No. of customers	Percentage
Highly satisfied	14	19%
Satisfied	27	36%
Neutral	27	36%
Dissatisfied	7	9%
Highly dissatisfied	0	0%
Total	75	100%

Interpretation

The table 4.7 shows that out of 75 respondents 19% are highly satisfied with the bikes performance, 36% are satisfied, 36% of the respondents are neither satisfied nor dissatisfied with the bikes performance. 9% of the respondents are dissatisfied with the bikes performance and none are highly dissatisfied.

Table 4.8: Satisfaction level towards bikes handling

Satisfaction Level	No. of customers	Percentage
Highly satisfied	8	11%
Satisfied	34	45%
Neutral	10	13%
Dissatisfied	19	25%
Highly dissatisfied	4	5%
Total	75	100%

Interpretation

The table 4.8 shows that out of 75 respondents 11 % are highly satisfied with the bikes handling, 45% are satisfied, 13% of the respondents are neither satisfied nor dissatisfied with the bikes handling. 25 % of the respondents are dissatisfied with the bikes handling and 5 % are highly dissatisfied.

Table 4.9: Satisfaction level towards bikes build quality

Satisfaction Level	No. of customers	Percentage
Highly satisfied	9	12%
Satisfied	26	35%
Neutral	34	45%
Dissatisfied	5	7%
Highly dissatisfied	1	1%
Total	75	100%

Interpretation

The table 4.9 shows that out of 75 respondents 12 % are highly satisfied with the bikes build quality, 35% are satisfied, 45% of the respondents are neither satisfied nor dissatisfied with the bikes build quality, 7 % of the respondents and dissatisfied with the bikes build quality and 1 % are highly dissatisfied.

Table 4.10: Satisfaction level towards bikes mileage

Satisfaction Level	No. of customers	Percentage
Highly satisfied	39	52%
Satisfied	27	36%
Neutral	8	11%
Dissatisfied	1	1%
Highly dissatisfied	0	0%
Total	75	100%

Interpretation

The table 4.10 shows that out of 75 respondents 52 % are highly satisfied with the bikes mileage, 36% are satisfied with the bikes mileage. 11% of the respondents are neither satisfied nor dissatisfied with the bikes mileage. 1 % of the respondents and dissatisfied with the bikes mileage and none are highly dissatisfied.

Table 4.11: Satisfaction level towards bikes reliability

Satisfaction Level	No. of customers	Percentage
Highly satisfied	10	13%
Satisfied	11	15%
Neutral	51	68%
Dissatisfied	1	1%
Highly dissatisfied	2	3%
Total	75	100

Interpretation

The table 4.11 shows that out of 75 respondents 13 % are highly satisfied with the bikes reliability, 15 % are satisfied with the bikes reliability. 68% of the respondents are neither satisfied nor dissatisfied with the bikes reliability. 1 % of the respondents and dissatisfied with the bikes reliability and 3% are highly dissatisfied.

Table 4.12: Satisfaction level towards bikes engine

Satisfaction Level	No. of customers	Percentage
Highly satisfied	14	19%
Satisfied	13	17%
Neutral	44	59%
Dissatisfied	2	3%
Highly dissatisfied	2	3%
Total	75	100%

Interpretation

The table 4.12 shows that out of 75 respondents 19 % are highly satisfied with the bikes engine, 17% are satisfied. 59% of the respondents are neither satisfied nor dissatisfied with the bikes engine. 3 % of the respondents are dissatisfied with the bikes engine and 3 % are highly dissatisfied.

Table 4.12: Satisfaction level towards dealer support

Satisfaction Level	No. of customers	Percentage
Highly satisfied	27	36%
Satisfied	34	45%
Neutral	12	16%
Dissatisfied	2	3%
Highly dissatisfied	0	0%
Total	75	100%

Interpretation

The table 4.12 shows that out of 75 respondents 36 % are highly satisfied with the dealer support, 45% are satisfied with the dealer support. 16% of the respondents are neither satisfied nor dissatisfied with the dealer support. 3% of the respondents are dissatisfied with the dealer support and 0% are highly dissatisfied.

Table 4.13 Percentage of respondents to test ride Honda Shine

Response	No of respondents	Percentage
Yes	13	17
No	62	83
	75	100

Interpretation

The table 4.13 shows that out of 75 respondents 17 % have tested a Honda Shine bike and the remaining 83 % of the respondents have tested the Bike.

Chart 4.13

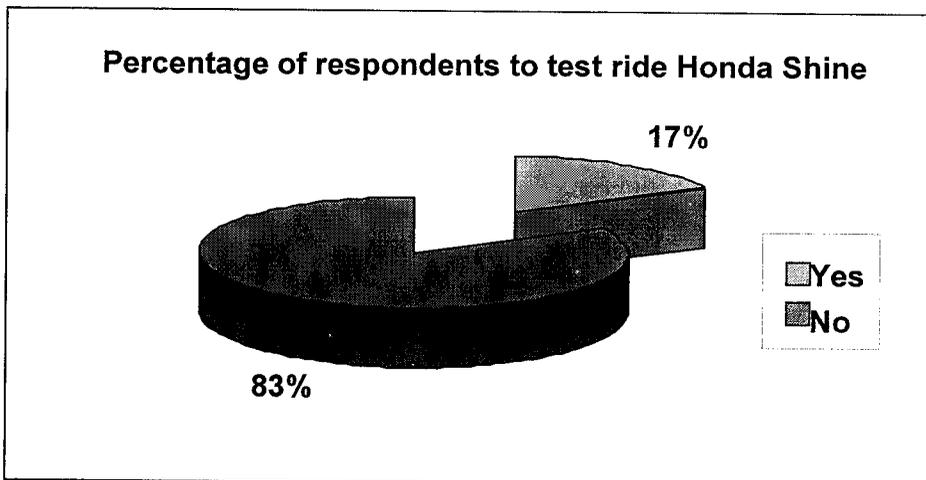


Table 4.14 Bikes performance

Response	No of respondents	Percentage
Not Satisfactory	1	8
Neutral	8	62
Satisfactory	4	31
	13	100

Interpretation

The table 4.14 shows that out of 13 respondents 8 % feel that the Bikes performance is not satisfactory, 62% of them feel that they are neither satisfactory nor dissatisfactory and the remaining 31% of them feel that the bikes performance is satisfactory.

Chart 4.14

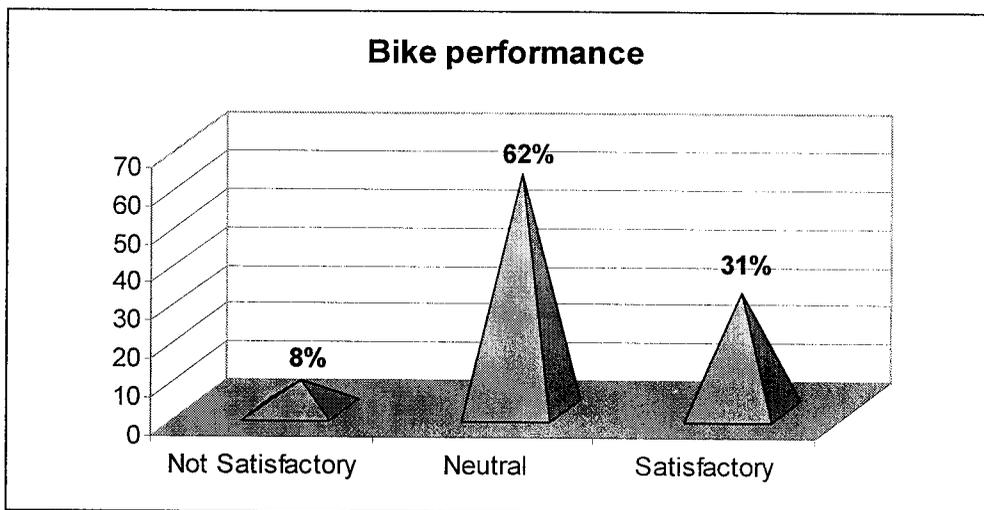


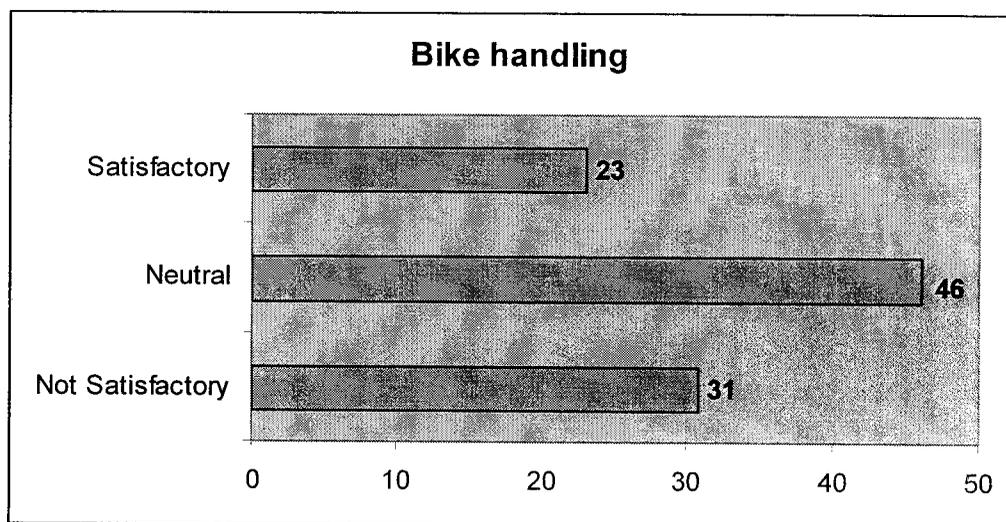
Table 4.15 Bike Handling

Response	No of respondents	Percentage
Not Satisfactory	4	31
Neutral	6	46
Satisfactory	3	23
	13	100

Interpretation

The table 4.15 shows that out of 13 respondents 31 % feel that the Bikes Handling is not satisfactory, 46% of them feel that they are neither satisfactory nor dissatisfactory and the remaining 23% of them feel that the bikes Handling is satisfactory.

Chart 4.15



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Table 4.16 Bikes Build Qualities

Response	No of respondents	Percentage
Not Satisfactory	3	23%
Neutral	3	23%
Satisfactory	7	54%
	13	100%

Interpretation

The table 4.16 shows that out of 13 respondents 23 % feel that the Bikes Build Qualities is not satisfactory, 23% of them feel that they are neither satisfactory nor dissatisfactory and the remaining 54% of them feel that the bikes Build Qualities is satisfactory.

Chart: 4.16

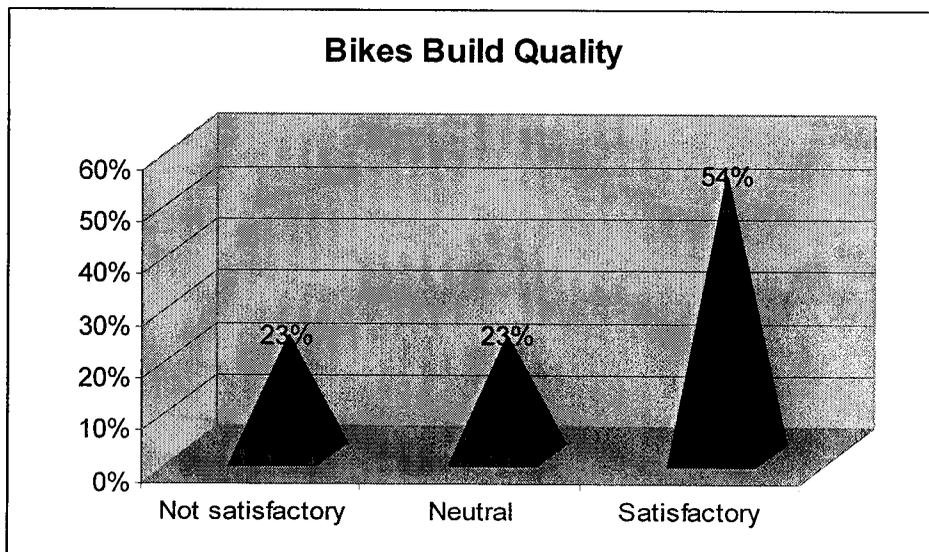


Table 4.17 Bikes Engine

Response	No of respondents	Percentage
Not Satisfactory	0	0%
Neutral	8	62%
Satisfactory	5	38%
	13	100%

Interpretation

The table 4.17 shows that out of 13 respondents none feel that the Bikes Engine is not satisfactory, 62% of them feel that they are neither satisfactory nor dissatisfactory and the remaining 38% of them feel that the Bikes Engine is satisfactory.

Chart: 4.17

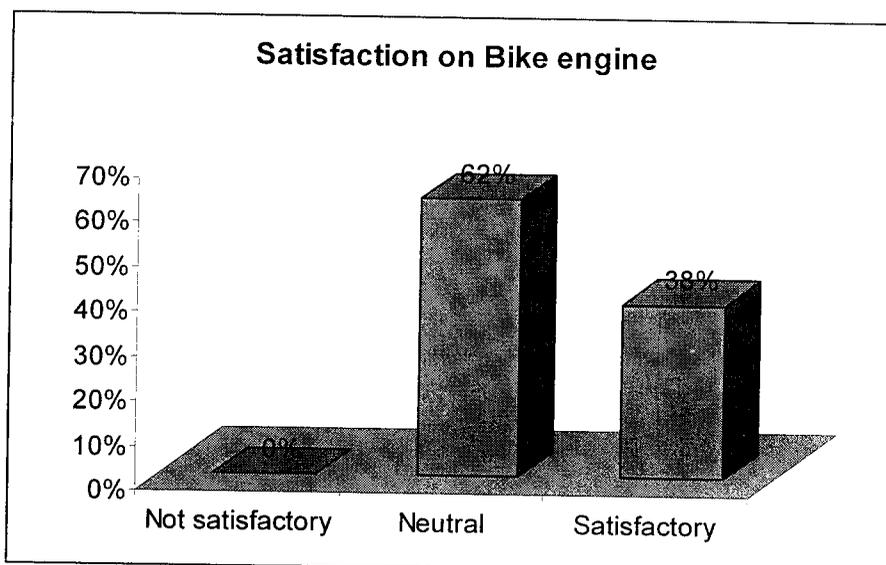


Table 4.18: Upgrade for Honda Shine

Response	No. of Respondents	Percentage
Yes	66	66
No	22	34
Total	88	100

Interpretation

The table 4.18 shows that out of 88 respondents 66 of them feel that an upgrade is necessary for Honda Shine while 22 of them feel that it is not necessary to upgrade.

Chart: 4.18

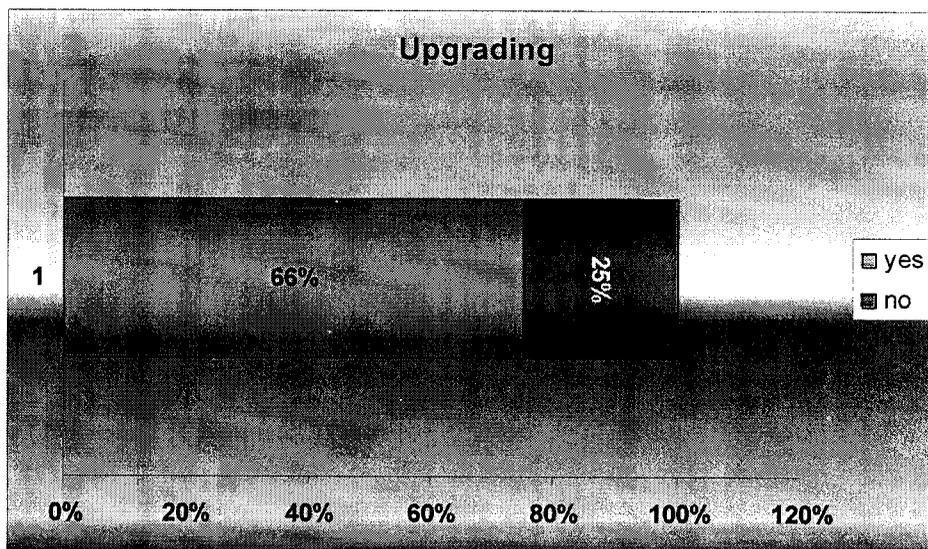


Table 4.19: Features to be upgraded

Parts	Yes	Percentage
Engine	67	76%
Trip meter	75	85%
Style	63	72%
Tachometer	42	48%
Riding position	58	66%
Foldable front	32	36%
Wheelbase	12	14%
Instruments	10	11%
5 speed Gear Box	5	6%
Box Section Swing Arm	0	0%

Interpretation

The table 4.19 shows that 67 respondents feel that an engine upgrade is necessary, 75 of them feel that a Trip meter should be added, 63 of them feel that the style should be improved, 42 of them feel that a tachometer should be included, 58 feel that the riding position should be changed, 32 of them feel that the front foot pegs should be foldable, 12 of them feel that there should be a change in the wheel base, 10 of them feel that instruments needs to be upgraded. While 5 feel that a gearbox needs to be added.

Chart: 4.19

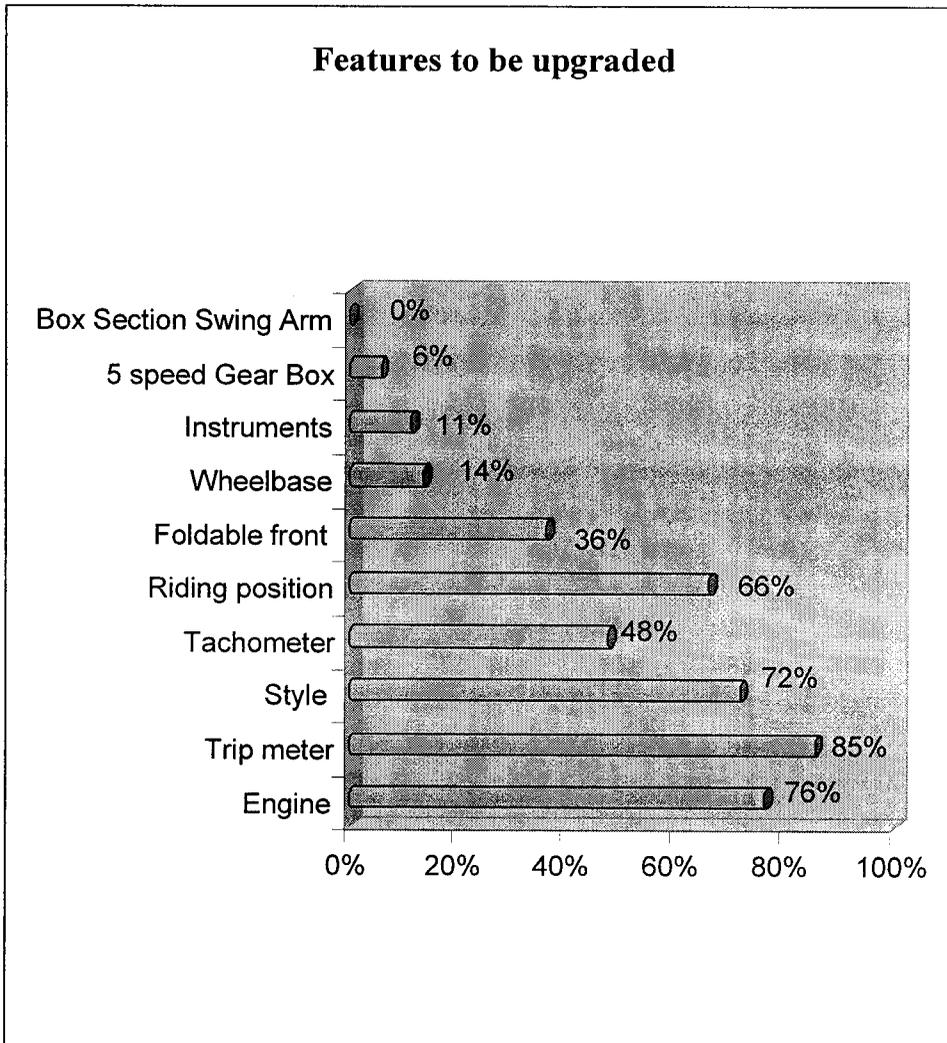


Table 4.20: Expected type of upgrade for engine

Type of upgrade	No. of customers	Percentage
Refinement	14	16
Mileage	74	84
Total	88	100

Interpretation

The table 4.20 shows that out of 88 respondents 16% of them feel that refinement of the engine is necessary, 84% of them feel that the mileage of the bike should still be increased.

Chart 4.20

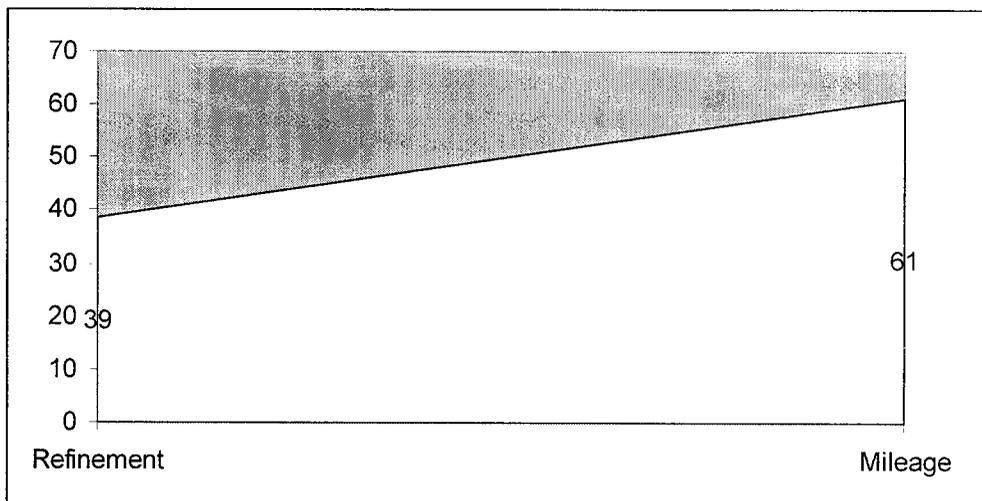


Table 4.21: Expected type of upgrade for riding position

SL. No.	Type of upgrade	No. of customers	Percentage
1	Rear set foot pegs	38	43
2	Shorter handlebars	50	57
	Total	88	100

Interpretation

The table 4.21 shows that out of 88 respondents 43% of them feel that the bike should have Rear set foot pegs. 57 % of them feel that the bike should have a shorter handlebar

Chart 4.21

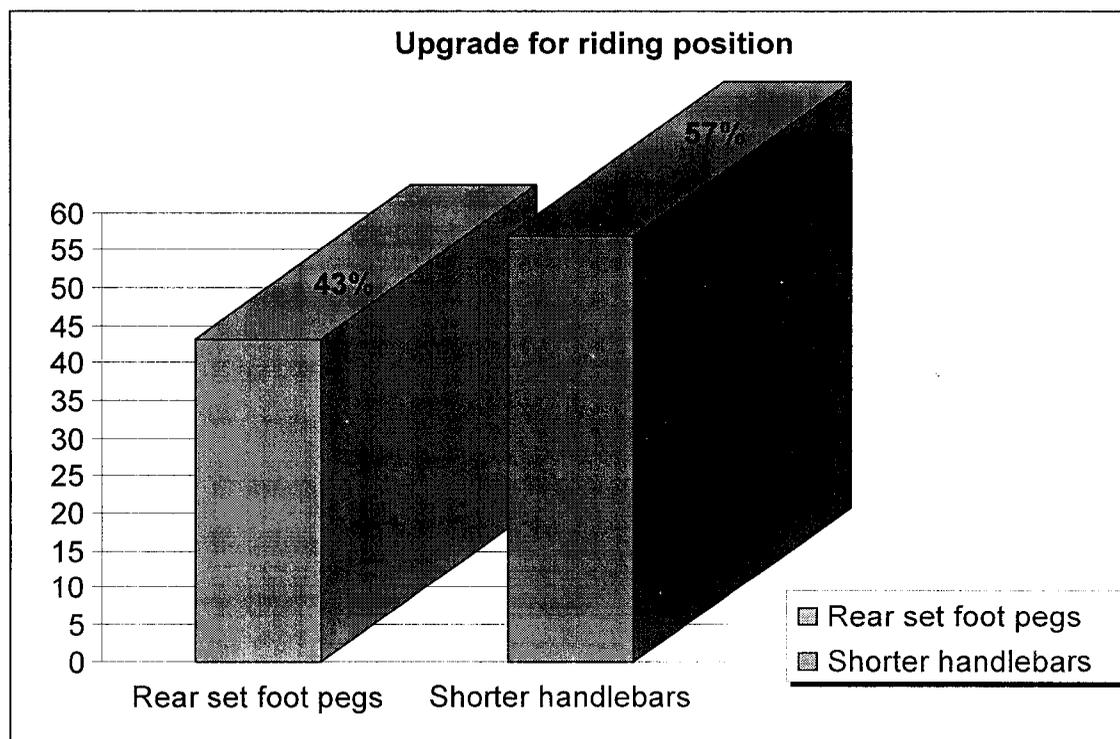


Table 4.22: Expected type of upgrade for instrument console

Type of upgrade	No. of customers	Percentage
Digital speedometer	50	57%
Side stand indicator	21	24%
Self canceling indicators	32	36%

Interpretation

The table 4.22 shows that out of 88 respondents 57% of them feel that the bike should have digital speedometer. 24 % of them feel that the bike should have side stand indicators and 36 % feel that self canceling indicators should be used.

Chart 4.22

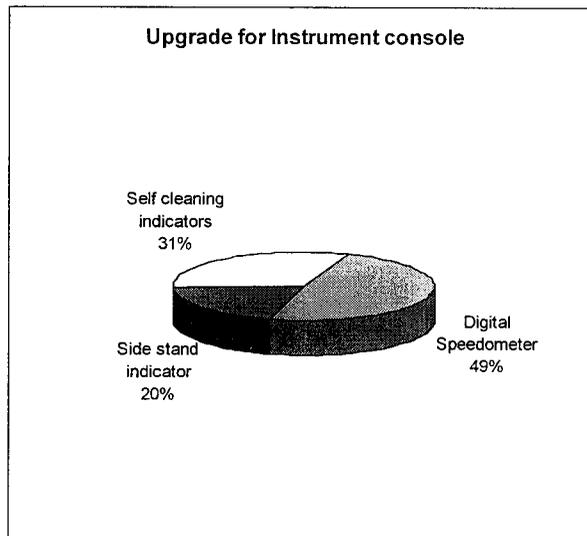


Table 4.23: Style Upgrade

Type of Adjustment	No. of customers	Percentage
New body panels	31	35%
Stickering	13	15%
Tank shape	9	10%

Interpretation

The table 4.23 shows that out of 88 respondents 35 % of them feel that the bike should sport new body panels. 15 % of them feel that the bikes stickering should be changed and 10 % feel that the Tank shape can be modified.

Chart: 4.23

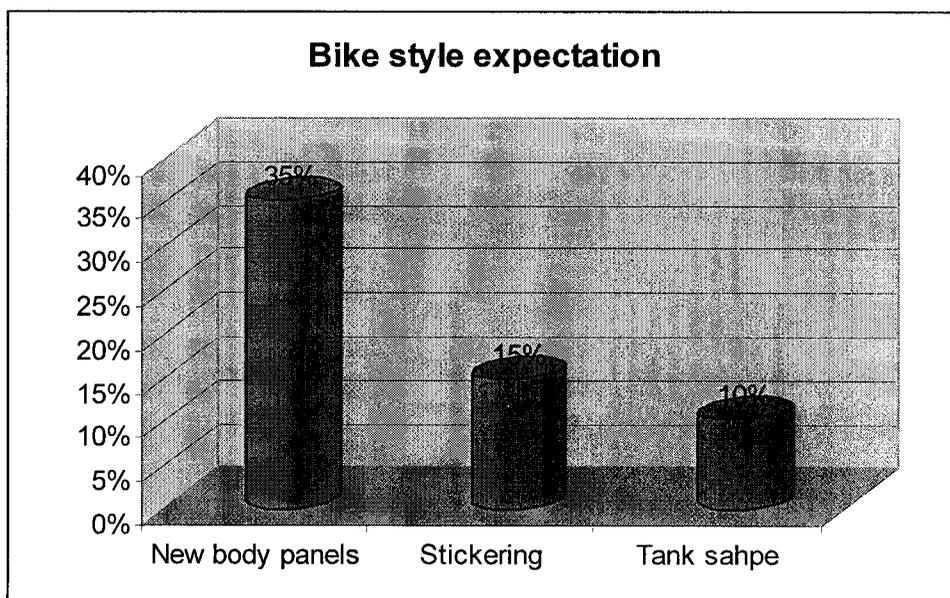


Table 4.24: Weighted average of satisfaction factors

Factors	Weighted average
Bike performance	3.64
Bike handling	3.3
Build quality	3.5
Bike mileage	4.22
Reliability	3.35
Bike engine	3.47
Dealer support	4.47

Interpretation

The table 4.24 shows that the customers are more satisfied with the bikes handling and reliability, next to that the major factor that satisfies the customers is the bikes engine. Build quality and performance of the bike comes behind. Bikes mileage and dealer support plays a minor role on the satisfaction.

Table 4.25: Chi Square Analysis

Association between age and satisfaction factors

Factors	Age classification		
	< 30	30 - 40	> 40
Bike performance	1.11	1.26	1.25
Bike handling	1.8	1.52	1.65
Build quality	1.52	2.65	1.98
Bike mileage	1.35	1.98	1.25
Reliability	1.11	1.52	1.69
Bike engine	1.85	2.51	1.65
Dealer support	1.69	1.25	2.52

H_0 (Null hypothesis) = There is no association between age and satisfaction factors of bike

H_1 (Alternate hypothesis) = There is no association between age and satisfaction factors of bike

$$\text{Chi square} = \sum (O-E)^2/E$$

$$= 2.56$$

$$\text{Degree of freedom} = (C-1)(R-1) = 12$$

$$\chi^2 (\text{table value at 5 percent level of significance for 12 degree of freedom}) = 21.026$$

Since calculated value less than table value, so accept null hypothesis

From the analysis, it is evident that there is no association between age and satisfaction factors of bike

Conclusion & Suggestions

Chapter 5

Conclusion

5.1 Findings

- It is inferred that majority of the respondents i.e., 47 % are of the age group are between 30 – 40 years of Age.
- It is inferred that that around 42% of the respondents are belonging to income level of above Rs.20000/month.
- It is inferred that that majority of the respondent's i.e. 75 respondents out of 150 own a Honda Shine.
- It is inferred that majority of the respondent's i.e. 41 % ride between 50 to 75 Kilometers a day.
- It is inferred that majority of the respondent's chose Mileage as the number 1 characteristic feature for buying Honda Shine.
- It is inferred that out of 75 respondent's 58 of them feel that Honda Shine offers good value for money.
- It is inferred that out of 75 respondents, 27 of the respondents are satisfied with the bikes performance, and another 27 of them are neither satisfied nor dissatisfied with the performance of Honda Shine.
- It is inferred that out of 75, majority of the respondent's i.e. 34 of them are satisfied with the bikes handling.
- It is inferred that out of 75, majority of the respondent's i.e. 34 of them are neither satisfied nor dissatisfied with the bikes build quality.
- It is inferred that out of 75, majority of the respondent's i.e. 39 of them are highly satisfied with the bikes mileage.
- It is inferred that out of 75 respondent's majority i.e. 51 of them are neither satisfied nor dissatisfied with the bikes reliability.
- It is inferred that out of 75, majority of the respondent's i.e. 44 of them are neither satisfied nor dissatisfied with the bikes engine. The above table infers that out of 75 majority of the respondent's i.e.34 of them are satisfied with the dealer support

- It is inferred that out of 75 majority of the respondent's i.e.62 of them have not tested the Bike.
- It is inferred that out of 13 respondent's i.e.31% of them feel that the bikes performance is satisfactory.
- It is inferred that out of 13 respondent's i.e.46% of them feel that the bikes Handling is neither satisfactory nor dissatisfactory.
- It is inferred that out of 13 respondent's i.e.54% of them feel that the Bikes Build Qualities is satisfactory.
- It is inferred that out of 13 respondent's i.e.62 % of them feel that the Bikes Engine is neither satisfactory nor dissatisfactory.
- It is inferred that majority of the respondents feels that an upgrade is necessary for Honda Shine.
- It is inferred that most of the respondents i.e. 75 of them feel that a trip meter should be added.
- It is inferred that most of the respondents i.e. 74 out of 88 feel that the mileage needs to be increased.
- It is inferred that most of the respondents i.e. 50 out of 88 feel that shorter handlebar will improve the riding position.
- It is inferred that majority of the respondents i.e. 50 out of 88 feels that the bike should have a digital speedometer.
- It is inferred that majority of the respondents i.e. 31 out of 88 feels that the bike should sport new body panels.
- It is inferred that majority of the Honda Shine users are more satisfied with the Bikes handling and reliability.
- From the Chi square analysis, it is evident that there is no association between age and satisfaction factors of bike.

5.2 SUGGESTION

The Executive commuter motorcycle segment consists of six different brands with bajaj discover leading this segment by a clear margin. This research is intended to analyze the expectations of Shine users, prospective buyers and other brand users. It is obvious from the survey that most of the respondents feel that an upgrade is necessary for Honda shine. The scope for improving and upgrading the bile is at large. This research has found out some of the areas where an upgrade is necessary. Some of the changes that can make the product more attractive and will enable the product to compete with the market leader are:

- Most of the respondents feel that the weight of the bike is on the higher side, so it can be reduced.
- Most of the respondents also feel that the handling of the bike needs to be improved.
- The riding position can be altered to improve the ergonomics, so that it is more commuter friendly.
- A trip meter can be incorporated in the speedometer of the bike.
- The style of the bike can be improved by changing the shape of the tank, including alloy wheels, modifying the panels and changing the stickering pattern.
- The above mentioned styling changes can make the bike appeal to a wide range of customers.

5.3 CONCLUSION

The executive commuter segment is a new and upcoming segment in the Indian two wheeler market. The growing sales of the executive commuter motorcycles is enough to prove that it will take over the mantle from the entry level motorcycles for sales. Bajaj leads this segment with a motorcycle which has a wide appeal than all other competitors and also stays as a benchmark in the 125cc segment. To compete with the market leader and improve the sales, the company needs to upgrade the product so that it can attract other segments. This research is a study of customer's expectations from the product and also analyzes the level of satisfaction of customers. From the research it is found out that most of the respondents give importance for the style of the motorcycle though fuel efficiency is the primary factor considered before making a purchase. It is also clear that most of the buyers are ready to have added features though it can increase the price of the product. The company can take the suggestions and implement the changes so that it can exploit the growth in the segment and target the segment leadership in the long run.

Appendix

NAME:

AGE:

(a). Less than 30 [] (b). 30 – 40 [] (c). 40 & Above

OCCUPATION:

Gender:

Income Level: (a) < 10000 [] (b) 10001 – 20000 []
(c) Above 20000 []

1. Do you own a HONDA SHINE?

Yes [] No []

(If NO, answer from question No.12)

2. Distance travel per day

3. Rank the following factors for HONDA SHINE.

- (a). Brand Image.....
- (b). Style.....
- (c). Performance.....
- (d). Handling.....
- (e). Mileage.....
- (f). Price.....
- (g). Weight.....
- (h). Engine.....
- (i). Reliability.....
- (j). Puncture Resistant Tube.....

4. Do you feel it offers value for money?

Yes [] No []

5. Are you satisfied with the bikes performance?

Highly Dissatisfied [] Dissatisfied [] Neutral []
Satisfied [] highly satisfied []

6. Are you satisfied with the bikes handling?

Highly Dissatisfied [] Dissatisfied [] Neutral []
Satisfied [] highly satisfied []

7. Are you satisfied with the bikes Build Quality?

Highly Dissatisfied [] Dissatisfied [] Neutral []
Satisfied [] highly satisfied []

8. Are you satisfied with the bikes Mileage?

Highly Dissatisfied [] Dissatisfied [] Neutral []
Satisfied [] highly satisfied []

19. What upgrade you expect from the engine?
(a). Refinement [] (b). Mileage []
20. What upgrade you expect from the Riding position?
(a). Rear set foot pegs [] (b). Shorter handlebars []
21. What upgrade you expect from the Instrument console?
(a). Digital Speedometer [] (b). Side stand Indicator []
(c). Self Canceling Indicators []
22. What upgrade do you expect in the Bike's Style?
(a). New Body Panels [] (b). Stickering []
(c) Tank Shape []
23. Do you want the wheelbase to be.....?
(a) Increased [] (b). Decreased []

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