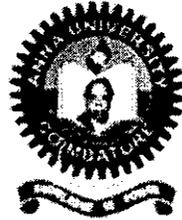


P-3326



**A THREE DIMENSIONAL STUDY ABOUT THE
PATTERN OF PURCHASE MAKING IN TYRES**



A SUMMER PROJECT REPORT (MBA703)

submitted by

AKASHKUMAR.N

Reg. No. 0920400004



Under the guidance of

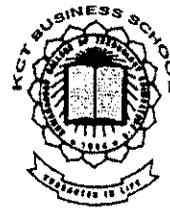
Mr. C.GANESHMOORTHY

in partial fulfillment for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

in



KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE -641 049

Department of Management Studies

A SUMMER PROJECT WORK (MBA703)
OCTOBER 2010

This is to certify that the project entitled

A THREE DIMENSIONAL STUDY ABOUT THE PATTERN OF
PURCHASE MAKING IN TYRES

is the bonafide record of project work done by

AKASHKUMAR.N

Register No: 0920400004

of Master of Business Administration during the year 2010 – 2011

A handwritten signature in black ink, appearing to be 'Srinivas P. C.', written over a horizontal dashed line.

A handwritten signature in black ink, appearing to be 'V.R.S.', written over a horizontal dashed line.

TABLE OF CONTENTS

CHAPTER No	TITLE	PAGE No
	CERTIFICATE	i
	DECLARATION	ii
	ACKNOWLEDGEMENT	iii
	LIST OF TABLES	iv
	LIST OF FIGURES	v
	ABSTRACT	vi
1	INTRODUCTION	
	1.1 Background of the study	1
	1.2 Review of Literature	1
	1.3 Company profile - Mindshare	3
	1.4 Client profile - MRF	6
	1.5 Objective of the study	8
	1.6 Scope of the study	9
	1.7 Theoretical framework	9
	1.8 Limitations	9
2	RESEARCH METHODOLOGY	
	2.1 Research design	10
	2.2 Sampling framework	10
	2.3 Source of data	11
	2.4 Collection of data	11
	2.5 Statistical tools and tests used	11

4	DATA ANALYSIS & INTERPRETATION	
	4.1 Dealers / Agents	15
	4.2 Mechanics	29
	4.3 Customers	35
5	CONCLUSION	
	5.1 Findings	46
	5.2 Recommendations	50
	5.3 Conclusion	52
	Bibliography	a
	Appendix	b



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To whomsoever it May Concern

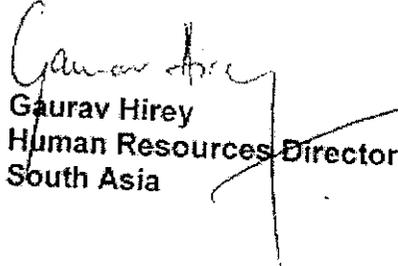
This is to certify that **Mr. Akash Kumar.N**, a student of MBA from Kumaraguru College of Technology- Business School, Coimbatore, has successfully completed his summer project in **Mindshare, GroupM Media India private Ltd. Chennai** from 19th July 2010 to 6th August 2010.

The project Entitled "**A three Dimentional Study about the pattern of purchase making in tyres** " embodies the original work done by Akash Kumar during his summer project period.

During the project, he has shown exemplary attitude and exceptional interest in continuous learning.

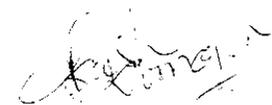
Wish him success in all his future accomplishments.

Yours Sincerely,
For Group M Media India Private Limited


Gaurav Hirey
Human Resources Director
South Asia

DECLARATION

I affirm that the project work titled **A THREE DIMENSIONAL STUDY ABOUT THE PATTERN OF PURCHASE MAKING IN TYRES** being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not formed the part of any other project work submitted for award of any degree or diploma, either in this or any other University.



AKASHKUMAR.N

0920400004

I certify that the declaration made above by the candidate is true



ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved chairman **Arutchelvar Dr. N.Mahalingam and Management** for the prime guiding spirit of Kumaraguru College of Technology.

I wish to express deep sense of obligation to **Mr.C.Ganeshmoorthy**, Senior Lecturer KCT Business School, for his intensive guidance throughout my project.

I am greatly indebted to thank **Mr.C.Ganeshmoorthy**, Project Co-ordinator / Class Advisor and all other faculty members of KCT Business School for their kind support.

I thank **Mr.Ganeshan, Head - Mindshare, Group M, Chennai** for extending his co-operation and for his valuable guidance throughout my project.

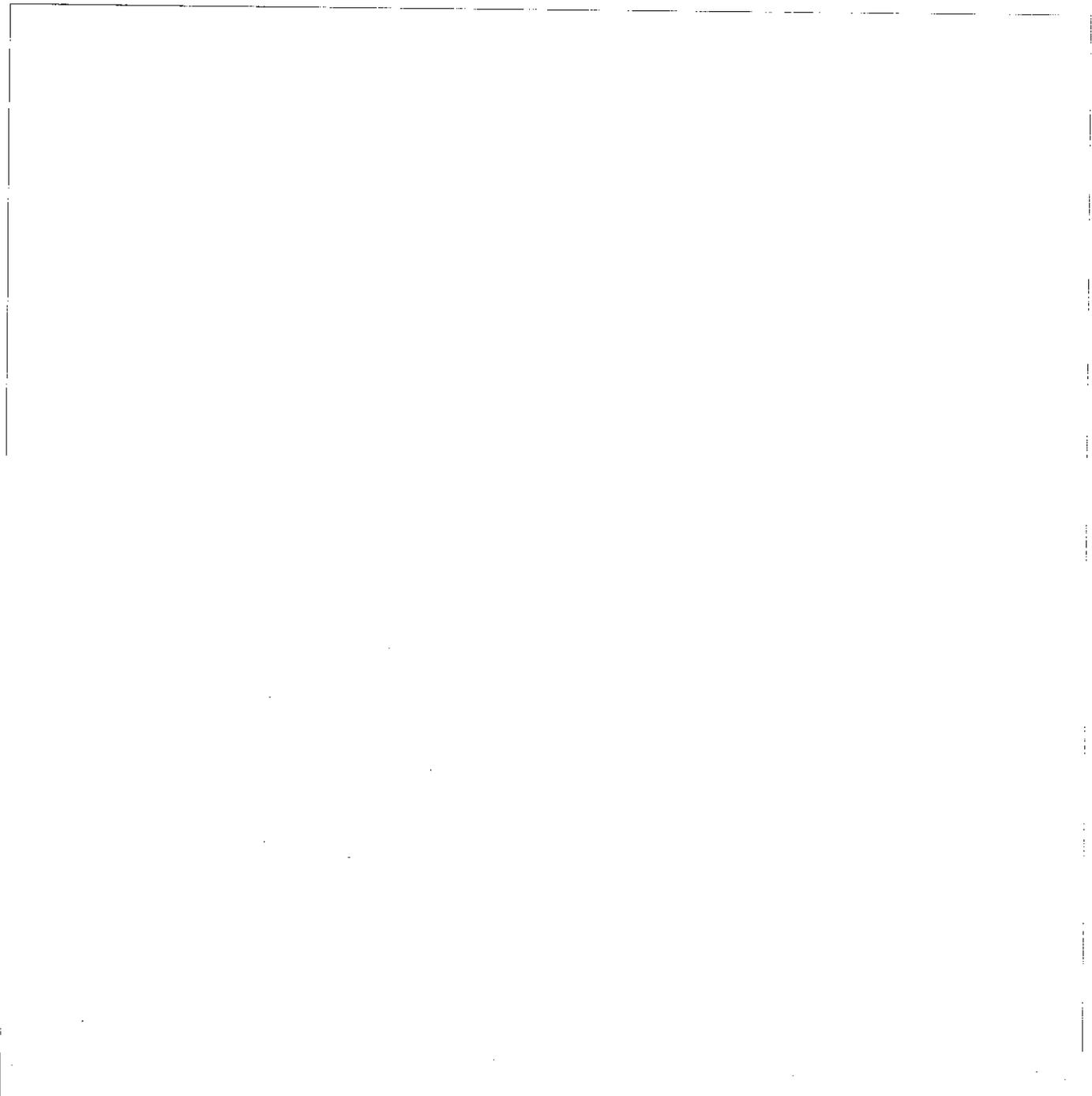
I extend my thanks to **Mr.Kumar, Team Leader, Non - Ford Team, Mindshare, Group M, Chennai** for supporting and guiding me in all aspects throughout my project.



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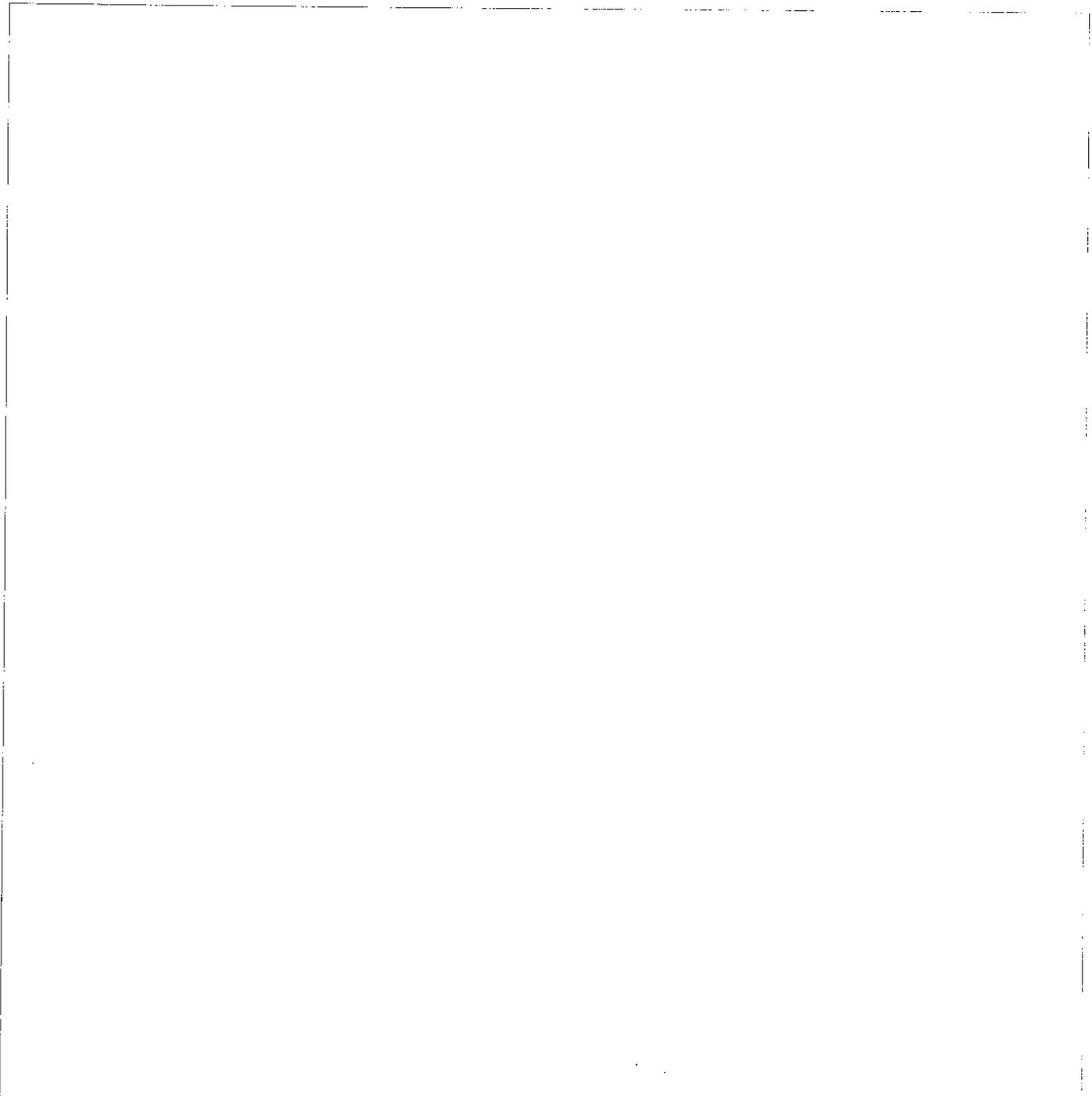
LIST OF TABLES

S.no	Table no	Title	Page no
1	3.1	Indian Tyre Industry - Overview	12
2	4.1.1	Brands available	15
3	4.1.2	Customers knowledge about brands	16
4	4.1.3	Customers expectation from tyre	17
5	4.1.3(a)	Customers expectation from tyre- Chi Square Test	18
6	4.1.4	Recommending brands to customers	19
7	4.1.4(a)	Basis of recommendation	19
8	4.1.4(b)	Recommendation - Chi Square Test	20
9	4.1.5	Brand with strong market potential	22
10	4.1.6	Reaching public (Touch points)	23
11	4.1.6(a)	Touch points - Chi Square Test	24
12	4.1.7	Significance of celebrity endorsements	25
13	4.1.8	Relationship with manufacturers	26
14	4.1.9	Support from manufacturers	27
15	4.1.9	Support from manufacturers - Chi Square Test	28
16	4.2.1	Basic difference in brands	29
17	4.2.2	Identification of problem by customers	30
18	4.2.3	Existence of deal / Tie - up	31
19	4.2.4	Requirements of a good tyre	32
20	4.2.5	Opinion about unknown brands	33
21	4.2.6	Rank - based on points given by mechanics	34
22	4.3.1	Age split up	35
23	4.3.2	Frequently used vehicle (Minimum 25km per week)	36
24	4.3.3	Brand that customers use / prefer	37
25	4.3.4		



LIST OF FIGURES

S.no	Figure no	Title	Page no
1	4.1.1	Brands available	15
2	4.1.2	Customers knowledge about brands	16
3	4.1.3	Customers expectation from tyre	17
4	4.1.4	Recommending brands to customers	18
5	4.1.4(a)	Basis of recommendation	20
6	4.1.5	Brand with strong market potential	22
7	4.1.6	Reaching public (Touch points)	23
8	4.1.7	Significance of celebrity endorsements	25
9	4.1.8	Relationship with manufacturers	26
10	4.1.9	Support from manufacturers	27
11	4.1.9(a)	Support from manufacturers – Split up	28
12	4.2.1	Basic difference in brands	29
13	4.2.2	Identification of problem by customers	30
14	4.2.2(a)	Identification of problem by customers – Split up	30
15	4.2.3	Existence of deal / Tie – up	31
16	4.2.4	Requirements of a good tyre	32
17	4.2.5	Opinion about unknown brands	33
18	4.2.6	Rank – based on points given by mechanics	34
19	4.3.1	Age split up	35
20	4.3.2	Frequently used vehicle (Minimum 25km per week)	36
21	4.3.3	Brand that customers use / prefer	37
22	4.3.3(a)	Brand that customers use / prefer – Two wheeler	38
23	4.3.3(b)	Brand that customers use / prefer – Four wheeler	38
24	4.3.4	Study made before purchase	39
25	4.3.5		



ABSTRACT

The main objective of this project is to study the pattern of purchase making in tyres in Chennai and Coimbatore. This study was made for MRF through Mindshare. The study was initially done in Chennai which targeted three groups i.e. Customers, Tyre dealers and Mechanics. A questionnaire was prepared and the responses were collected from the target groups. The primary target was to find out the inter-relationship that exists between the Customers, Dealers and the Mechanics during the point of purchase. Also the factors that influence the selection of tyres and the various touch points, expectations of a tyre are explored in this study.

Once this data collection is over, the same study was carried out in Coimbatore in the same way. The reason behind this is, Coimbatore being the next big city after Chennai, the data that is collected here will be of great useful to the company by knowing more about the taste and preference of the masses in Coimbatore. This study is pertaining only to two wheelers and the data gathered will produce immense knowledge for further development and also to sustain their leadership status in Indian tyre industry.



CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

“Today’s invention is tomorrow’s history”. This is what the world is facing at present. With more and more invention taking place at each and every corner of the world, one has to be prepared to cope up with uncertainty. Tyre industry in India accounts about 30,000 Crores and is one of the most primary equipment manufacturing sector.

Over the years, tyre manufacturers have developed a vast marketing network using dealers and depots and as such all types of tyres are now easily available even in the remotest corner of the country. No doubt, international auto majors in India now roll out their vehicles using Indian manufactured tyres.

So one has to understand the ways in which customers purchase tyres, their tastes, preferences, attitude, behavior, influencing factors, various touch points, expectation etc has to be studied and each of those has to be analysed and it’s the primary objective of the company to satisfy the customers.

1.2 REVIEW OF LITERATURE

¹The origin of the Indian Tyre Industry dates back to 1926 when Dunlop Rubber Limited set up the first tyre company in West Bengal. MRF followed suit in 1946. Since then, the Indian tyre industry has grown rapidly. Transportation indust

²Constant corporate communication was the key to build a strong dealer network, but Apollo Tyres wanted a solution which automates the processes. Calling the dealers regularly was difficult to streamline due to lack of automation. Another challenge faced by Apollo was that it needed a solution which integrates seamlessly with the SAP and is capable of seeking response from dealers which goes directly to the corporate ERP.

³In the mid-1940s, Michelin, the number one tyre maker in the world, had revolutionised the tyre industry with radial tyres. Half a century later it commanded nearly 100% market share in the industrialised world. In the mid-1990s, the company came up with another big innovation the PAX system. PAX tyres were designed to provide the car driver with smooth mobility and control over the vehicle even in the event of a sudden loss of air pressure in the tyres. But, they could only be fitted to vehicles designed to support the PAX system and their cost was three times more than the conventional tyres.

⁴The disposal of used tyres is an issue that preoccupies not only Greece, but also every other country with terrestrial means of transportation. The problem occurs due to the enormous volume of tyres, which are disposed, each year. The high calorific value of the tyres is an additional reason that suggests the implementation of a more effective and efficient process. A multi-criteria analysis model was developed in order to evaluate the existing techniques for the reprocessing of used tyres. The criteria taken in account were of economical, technical, socio-political and environmental nature. Actors involved in the "tyre chain" determined relative weights of the criteria. The output of the software used, indicated the combustion in cement kilns as the most essential method by all odds, while mechanical shredding is a comparable alternative.

1.3 COMPANY PROFILE – MINDSHARE, GROUP M, CHENNAI

1.3.1 WHO WE ARE

1.3.1.1 Global Network

Mindshare's greatest strength is our global network. Not just its size and spread, but its people: their depth of knowledge and the way they share information to act as one seamless, integrated team.

We are active in 115 global cities, with a significant presence in every major market. And because the future arrives faster in some industries, countries, even cities, we can rapidly tailor what we learn in one sector or region to another.

Which means our clients benefit from the very latest knowledge, expertise and insights they would probably otherwise be unaware of. It is this combination of a profound understanding of local issues and a common culture of intelligence and service that makes us uniquely effective.

We observe, we learn, we communicate, we apply.

1.3.1.2 Awards

We are proud of what we do. And we're delighted when our peers, our clients or the business world at large recognise that we're good at it. Here are some of the awards we have won recently:

- Mindshare UK won a media Gold Lion at the Cannes Advertising Festival 2010 for the first direct Live campaign
- Mindshare Austria won a Gold in a 'Media Award 2010' for Creative Media
- Mindshare Netherlands named Agency of the Year 2010 by renowned Annual Masters Media Awards (AMMA)

- Mindshare US awarded The Rookie Grand Prize at Media Plan Of The Year Awards held by Mediaweek Magazine
- Mindshare US won a Gold at EFFIES for ‘In The Motherhood‘ campaign in the Beauty Products Category
- Mindshare US ranked in Fast Company's Top Ten Most Innovative Advertising and Marketing Companies.
- Mindshare India won Seven Goafest Awards at Media Awards

1.3.2 WHAT WE DO

Services

Our specialist services have been created to respond to market changes and, in some cases, to change the market.

They include econometric modeling, research and insights, digital solutions, sports and entertainment sponsorship consultancy, and brand-driven creative campaigns.

Like our core services, they are available on a global or local scale.

- Analytics and ROI
- Branded entertainment, sports and partnerships
- Communications planning
- Digitals
- Insights
- Search

1.3.3 HOW WE THINK

Mindshare is a network of specialists, so you can always find someone with something intelligent to say on just about anything. The rest of us listen, learn and lead.

This part of our website is where you can find out what we know and what we are discovering every day. You can read our corporate views on a wide range of subjects or dip into some of the blogs written by our colleagues.

1.3.4 CLIENTS

70% of our business is centralised and multi-national.

This is a selection of our globally or regionally aligned clients:



1.4 CLIENT PROFILE - MRF

1.4.1 OVERVIEW

An enterprise that started as a toy balloon maker in 1946 in South India quickly grew to become one of India's biggest and respected companies. Renowned for product superiority and innovation, MRF continues to be the leading tyre - maker in India.

1.4.2 MANUFACTURING UNITS IN INDIA

Manufacturing units are located in

- Goa
- Medak
- Arkonam
- Thiruvottiyur
- Kotayam
- Puducherry

1.4.3 TECHNOLOGY AND R&D

- The Design process at MRF starts from the customer - inputs from individual customers are compiled by marketing and given to Corporate Technical MRF's R&D and Product Development Division or vehicle specific requirements are received from the OE customer.
- MRF's team of 300 engineers and scientists gives MRF its enormous strength in

- Tyres are now handed over to the Vehicle Dynamics Group, who now validates the design on the vehicle. These tests are done at the test track in a series of manoeuvres at various speeds, pushing the tyres to the limits of its capabilities.
- The prototypes for verification and validation testing are manufactured in one of MRF's 6 factories all of which are TS 16949/ISO 9001 certified. The tyres then go through testing for confirming the architecture and a series of indoor testing to ensure that they meet MRF's tight standards and also those required by the OEM or by any of the national standards like BIS/JIS/ETRTO/T&RA.
- MRF also tests tyres on fleets across the country to ensure that the tyres have endured successfully all the types of roads on which our customers travel daily. Race Tracks and Indian Roads are our laboratories.

1.4.4 AWARDS AND ACHIEVEMENTS

- Voted the “Most Trusted” tyre company in India by TNS 2006 global CSR study
- JD Power Asia Pacific - Won the award for customer satisfaction not once but 6 times in the last 7 years
- CAPEXIL – Won the award for exports.

1.4.5 PRODUCTS

Their products include

1.4.5.1 TYRES

- Farm services patterns
- LCV patterns
- Tubes and Flaps

1.4.5.2 PRETREADS

- MRF PRETREADS is the most advanced precured retreading system in India. MRF forayed into retreading as far back as 1970. Today, MRF has perfected the art of recured retreading with its extensive knowledge in tyres and rubber.
- In the MRF PRETREADS system, the tread rubber is precured from MRF's factory in a carefully controlled environment, thereby ensuring world-class quality.
- Today, MRF PRETREADS has emerged as the Mileage leader in precured retreading and also has the specialized expertise required for retreading Radial Tyres of Truck, Bus, LCV and Passenger vehicle.

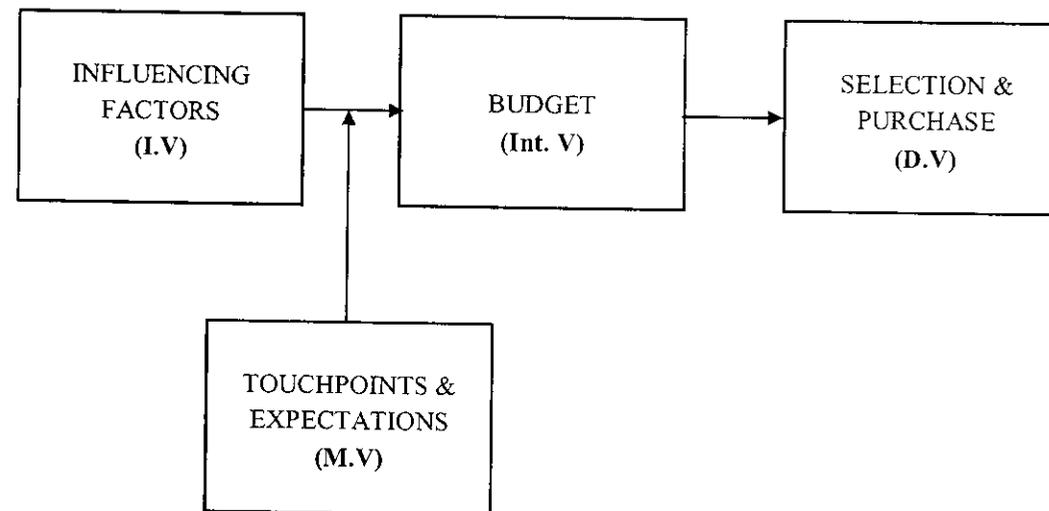
1.5 OBJECTIVE OF THE STUDY

- To explore the factors that influences the selection of tyres.
- To study and analyze the behavior pattern of the dealers, mechanics, customers and the inter – relationship that exists between the parties during the purchase of tyres.
- To identify the media touch points, expectations of a good tyre from both the

1.6 SCOPE OF THE STUDY

- Enhancement in the relationship between the dealers and manufactures.
- Helping the manufacturers in understanding and delivering what the customers require. This will help them to sustain in the ongoing competition.
- Growth in automobile sector will always have a cumulative effect on tyre industry as they are directly proportional to each other.
- Manufacturers increasing trend in capacity utilization results in better output.

1.7 THEORITICAL FRAMEWORK



1.8 LIMITATIONS

CHAPTER 2

RESEARCH METHODOLOGY

2.1 RESEARCH DESIGN:

2.1.1 TYPE OF STUDY:

- **Exploratory:** Information regarding the taste, preference, factors that influence, various touch points were gathered through questionnaire.
- **Descriptive:** The gathered information was further analyzed and to have a better understanding on the study.

2.1.2 INVESTIGATION TYPE:

- **Correlation**
Correlation is a statistical technique that can show whether and how strongly pairs of variables are related.

2.2 SAMPLING FRAMEWORK:

2.2.1 Sampling technique - Multi stage cluster sampling

A multi-stage cluster sampling is proposed for quantifying and monitoring plant species richness at multiple spatial grains over large spatial extents.

2.3 SOURCE OF DATA:

It's all primary source of data that is gathered and analyzed in this study. The data is gathered for the first time with direct interaction with all the three parties who are involved in this study.

2.4 COLLECTION OF DATA:

The data is collected with help of questionnaire that was prepared separately for all the three parties. Care was taken in such a way all the questions that were framed were directly relating to the objective of the study. Once the data is collected, separate database was created for each and it was stored so that it can be retrieved whenever it is required.

2.5 STATISTICAL TOOL & TESTS USED:

- **Percentage analysis**

It is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data.

- **Chi - Square test**

It is a statistical hypothesis test in which the sampling distribution of the test statistic is a chi-square distribution when the null hypothesis is true, or any in which this is asymptotically true, meaning that the sampling distribution (if the null hypothesis is true) can be made to approximate a chi-square distribution as closely as desired by making the sample size large enough.



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CHAPTER 3
MICRO MACRO ANALYSIS

3.1 INDIAN TYRE INDUSTRY – OVERVIEW

Table 3.1

INDEX	STATISTICS
Turnover of Indian tyre industry	Rs. 30,000 Crores
Tyre production (Tonnage)	13.50 lakh M.T.
Tyre production – All categories (Nos.)	971 Lakh
Tyre export from India (Value)	Rs. 3000 Crores
Number of tyre companies	36
Industry Concentration	10 large tyre companies account for over 95% of total tyre production
Radialisation Level – Current (as a % of total tyre production)	Passenger Car tyres – 98% Light Commercial Vehicles – 18% Heavy Vehicles – 12%
Financial year 2009-2010	

3.2 EVOLUTIONARY PHASES OF TYRE INDUSTRY IN INDIA

- **PHASE 3: 1961 – 1974**

Indian companies-MRF, Premier & Incheck- enter manufacturing sector with foreign technology; licensing of additional production capacity

- **PHASE 3: 1975 – 1991**

Entry of large Indian business houses like Singhania & Modi & technical collaborations with MNCs, introduction of radial tyres, vertical integration and exponential growth in tyre production & exports.

- **PHASE 3: 1991 onwards**

External trade liberalization & reduction in import duty; re-entry of MNCs either independently or in collaboration with Indian capital

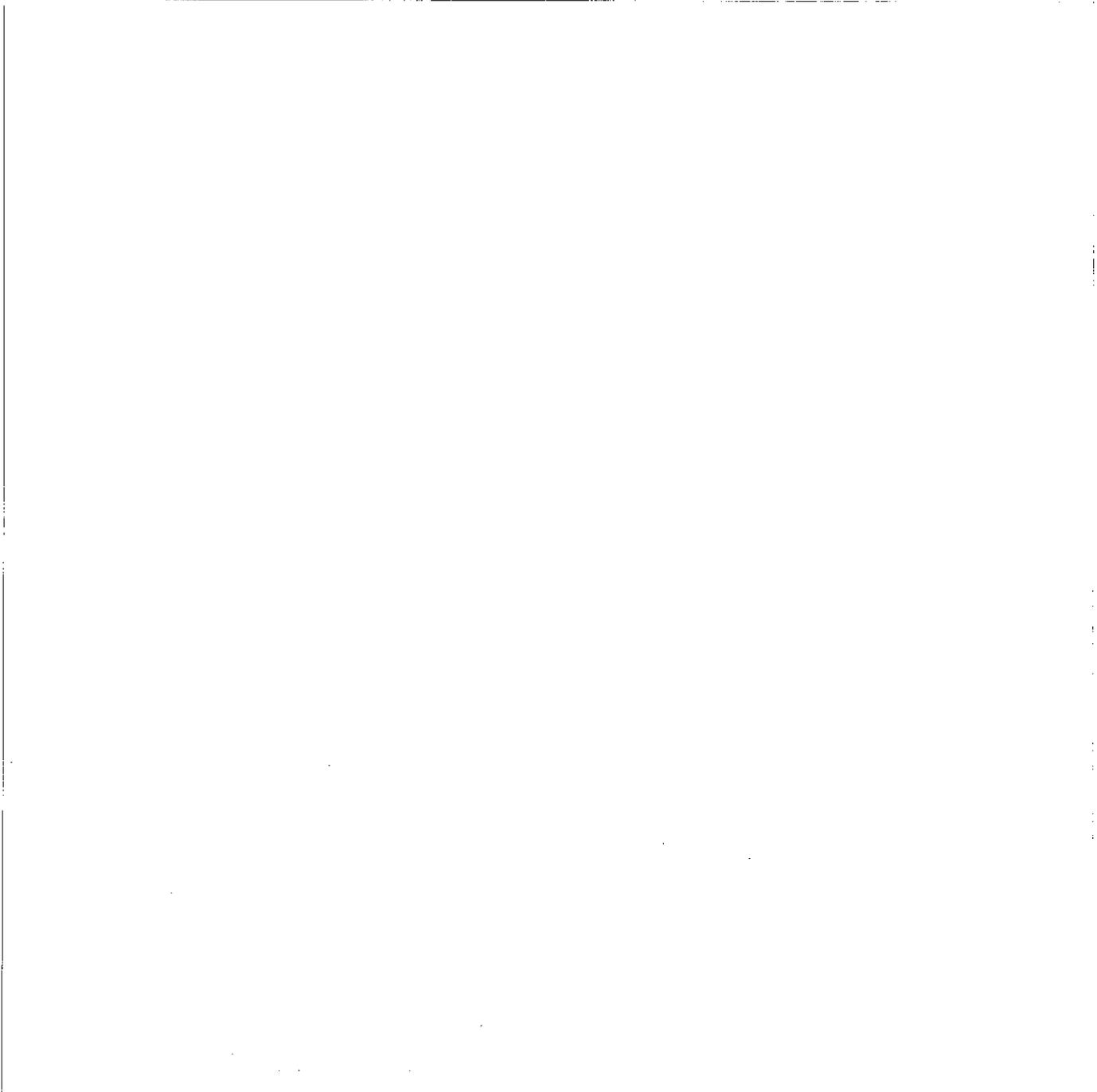
3.3 SECTOR SPECIFICS

- The tyre industry is a major consumer of the domestic rubber production. Natural rubber constitutes 80 per cent of the material content in Indian tyres. Synthetic rubber constitutes only 20 per cent of the rubber content of a tyre in India.
- Most of the RSS-4 grade natural rubber required by the Indian tyre industry is domestically sourced, with only a marginal amount being imported.
- The two types of synthetic rubber used in tyres are Poly Butadiene Rubber (PBR) and Styrene Butadiene Rubber (SBR). The former is used in most of the tyres, while the latter is mainly used in the radials for passenger cars.
- Apart from rubber, major raw materials are nylon tyre cord and carbon black. The former is used to make the tyres strong and impart tenacity to it. The latter is responsible for the colour of the tyre and also enhances the life span of the tyre.

3.4 SALIENT FEATURES OF INDIAN TYRE INDUSTRY

- Truck and bus tyres account for over 65% of tyre industry turnover in India (in terms of value and tonnage). Hence, demand for truck and bus tyres is one of the indicator of the performance of Indian economy in general and also the tyre industry in India

- There is a vast population and production of two-wheelers in India for which different sizes of tyres are required and produced.
- Tyre companies have built a vast and vibrant marketing network through dealers and depots as a result of which all categories of tyres are readily available even in remotest parts of the country, including villages.
- There are 5000 tyre dealers geographically spread all over the country and serviced through over 500 depots of tyre companies. A vast majority of dealers handle multi-brands of tyres. Tyre companies also have exclusive retail distribution outlets.
- Indian tyres are meant and expected to perform under different and extreme road conditions, from unmetalled village roads to newly constructed national highways, from extreme cold to hot and wet conditions prevailing in different geographical parts of the country.



CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

4.1- DEALERS/AGENTS PERSPECTIVE

4.1.1) BRANDS AVAILABLE

Table 4.1.1

Brand	No. of Respondents	Percentage (%)
MRF	22	73
Goodyear	12	40
Ceat	22	73
Michelin	10	33
JK	12	40
Bridgestone	18	53
TVS	4	13
Yokohama	14	46
Continental	10	33
Pirelli	2	7
Apollo	12	40



Interpretation:

- MRF and CEAT are the two most common brands amongst the dealers.
- 73% of the dealers have got both MRF and CEAT in their outlets.
- Bridgestone and Yokohama are common amongst the dealers with 53% and 46% respectively.

Figure 4.1.1

4.1.2) CUSTOMERS KNOWLEDGE ABOUT BRANDS

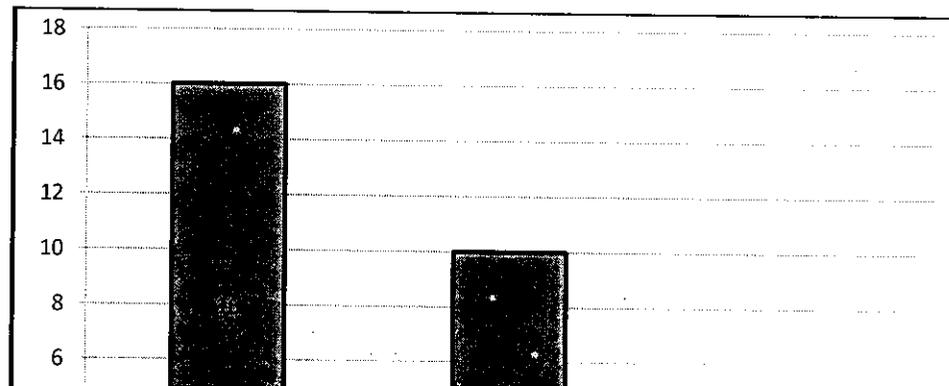
Table 4.1.2

Knowledge	No. of Respondents	Percentage (%)
Good	16	53
Average	10	33
Poor	4	13

Interpretation:

- Majority of the customers ie 53% possess adequate knowledge about the brands before they purchase a tyre. The customers are clear enough what is what before making a purchase.
- The remaining 46% of the customers rely on others sources to know about the tyres.

Figure 4.1.2



4.1.3) CUSTOMER EXPECTATION FROM TYRE

Table 4.1.3

Expectation	No. of Respondents	Percentage (%)
Durability	14	47
Life	12	40
Low price	28	93
Quality	12	40
Mileage	4	13
Style	4	13
Performance	2	7
Familiarity	2	7

Interpretation:

- 93% of the customers expect the price to be low. Pricing is the most important factor when it comes to purchase of tyres or anything for that matter.
- Next to price, durability is what the customer needs in a tyre to have a longer run.
- Along with life, quality of the tyre should be on the higher side.

Figure 4.1.3



Table 4.1.3(a)

Requirements			
	Observed N	Expected N	Residual
Low Price	20	6.0	14.0
Durability	5	6.0	-1.0
Life	2	6.0	-4.0
Quality	2	6.0	-4.0
Style	1	6.0	-5.0
Total	30		

Test Statistics	
	Requirements
Chi-Square	42.333 ^a
df	4
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5.
The minimum expected cell frequency is 6.0.

Hypothesis:

- Customers expect Low Price – Alternate Hypothesis
- Customers do not expect Low Price – Null Hypothesis

Since the Asymptotic significance value is less than 0.05, we accept the alternate

4.1.4) RECOMMENDING BRANDS TO CUSTOMERS

Table 4.1.4

Recommendation	No. of Respondents	Percentage (%)
Yes	16	53
No	14	47

Interpretation:

- 53% of the dealers recommend brands to their customers.
- Whereas, the remaining 47% of the dealers provide what the customers ask for and finish off the deal then and there.

Figure 4.1.4

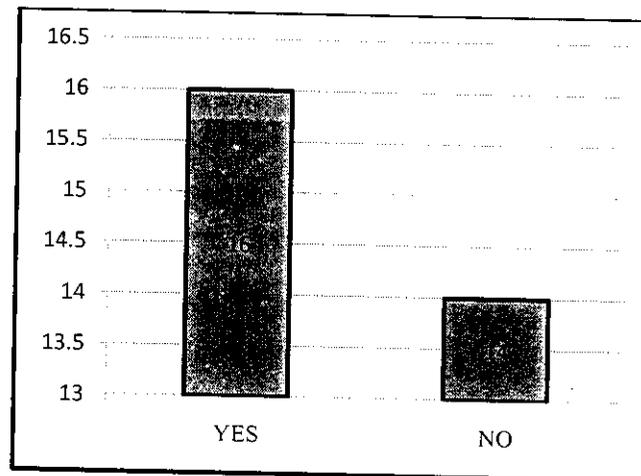


Table 4.1.4(a) – Basis of recommendation

Basis of	No. of
----------	--------

Interpretation:

- Majority of the recommendation is based on the availability of the stock. More stocks results in high degree of recommendation.
- 20% of the recommendation is done on the basis of the customer's budget and their usage.

Figure 4.1.4(a) - Basis of recommendation

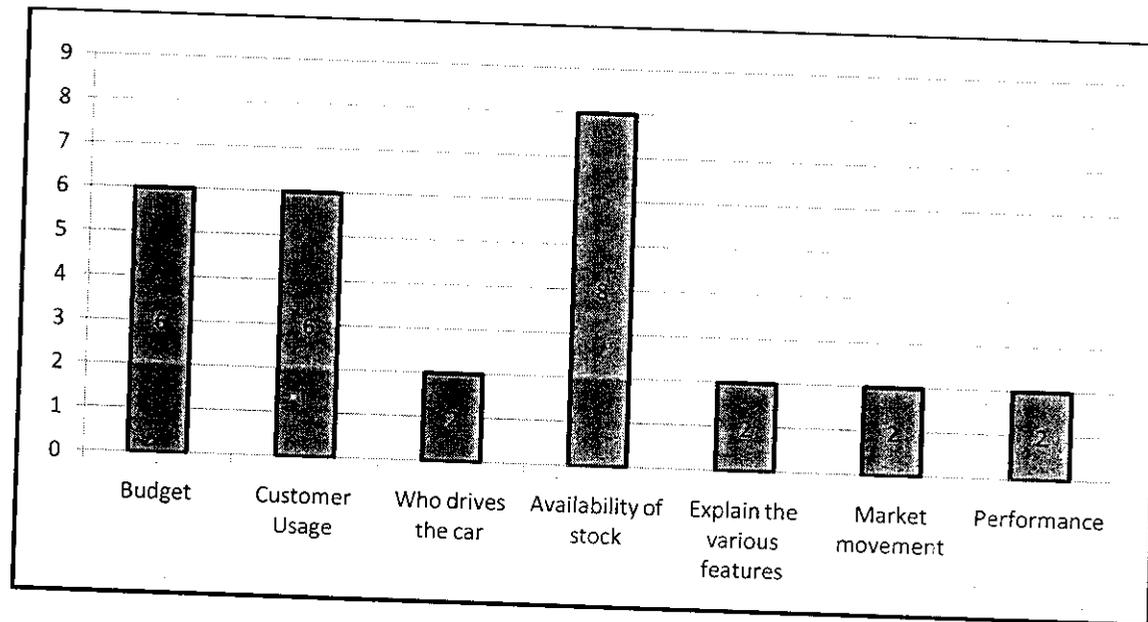


Table 4.1.4(b)

	Recommendation		
	Observed N	Expected N	Residual
Availability of Stock	12	6.0	6.0

Test Statistics	
	Recommendation
Chi-Square	11.667 ^a
df	4
Asymp. Sig.	.020
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.0.	

Hypothesis:

- Recommendations done on availability of stock - Alternate Hypothesis
- Recommendations not done on availability of stock - Null Hypothesis

Since the Asymptotic significance value is less than 0.05(0.20), we accept the alternate hypothesis and reject the null hypothesis.

4.1.5) BRAND WITH STRONG MARKET POTENTIAL:

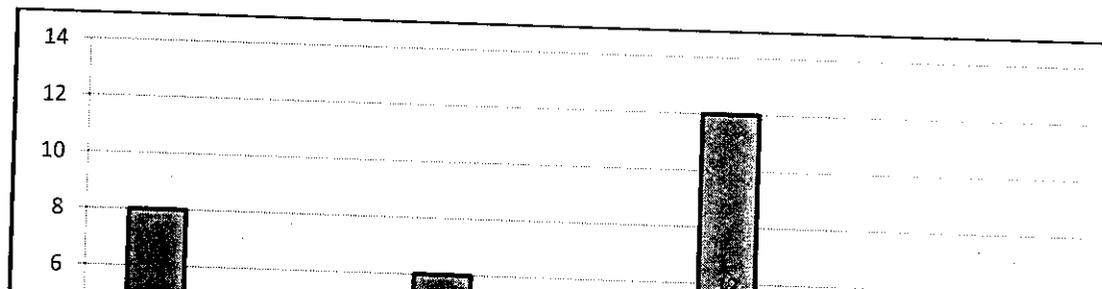
Table 4.1.5

Brand	No. of Respondents	Percentage (%)
MRF	8	27
Goodyear	2	7
Michelin	6	20
JK	2	7
Bridgestone	12	40
Yokohama	2	7
Continental	4	13

Interpretation:

- Considering the customers demand and the sales level, Bridgestone has got a better market potential than most of its competitor brands mainly of its high quality, high life and at affordable price.
- Michelin with its superior quality has started to make a mark in the Indian market. Michelin is one of the rapidly upcoming brand which has got both better road grip and economical in price.

Figure 4.1.5



4.1.6) REACHING PUBLIC (TOUCH POINTS):

Table 4.1.6

Brand	No. of Respondents	Percentage (%)
Pamphlet	10	33
Newspaper	4	13
Telephone Directory	2	7
Justdial	4	13
Manufacturer's Initiative	4	13
WOM	2	7
Not any more	6	20

Interpretation:

- 33% of the dealers opt Pamphlets as the tool to reach the public which they think is economical and the reach is healthier. Also Pamphlets can be circulated through newspapers, some public places etc.
- 20% of the dealers carry out their business with the popularity that they got in the initial stages of their business initiative.

Figure 4.1.6

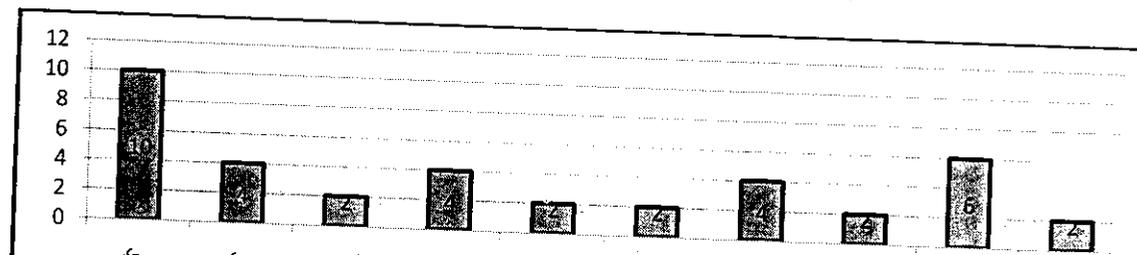


Table 4.1.6(a)

	Touchpoints		
	Observed N	Expected N	Residual
Newspaper	9	7.5	1.5
Manufacturers Initiative	3	7.5	-4.5
Pamphlets	15	7.5	7.5
Not any more	3	7.5	-4.5
Total	30		

Test Statistics	
	Touchpoints
Chi-Square	13.200 ^a
df	3
Asymp. Sig.	.004
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.5.	

Hypotheses:

- Newspaper is the prime mode to reach public - Alternate Hypothesis
- Newspaper is not the prime mode to reach public - Null Hypothesis

Since the Asymptotic significance value is less than 0.05(0.04), we accept the alternate hypothesis and reject the null hypothesis.

4.1.7) SIGNIFICANCE OF CELEBRITY ENDORSEMENTS:

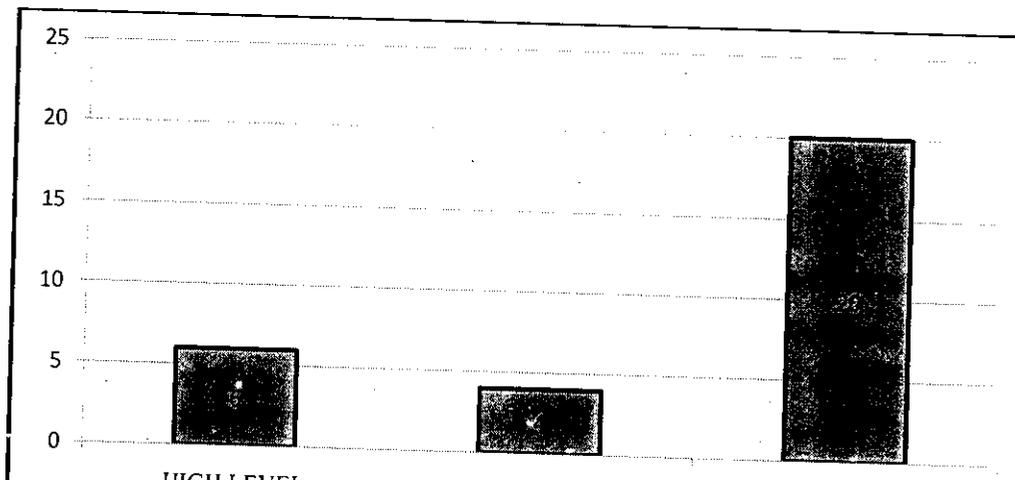
Table 4.1.7

Level of Significance	No. of Respondents	Percentage (%)
High	6	20
Average	4	13
Low	20	67

Interpretation:

- 67% of the dealers feel endorsing celebrity to a tyre brand does not make any significance. They feel this move wont work in tyre business.
- But 20% feel that only celebrity endorsements make the brand more familiar among the public and gives brand recognition.

Figure 4.1.7



4.1.8) RELATIONSHIP WITH MANUFACTURERS:

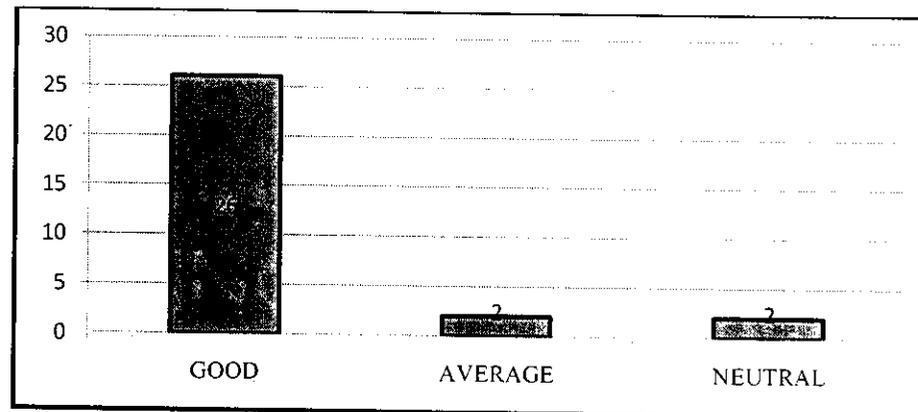
Table 4.1.8

Relationship	No. of Respondents	Percentage (%)
Good	26	86
Average	2	7
Neutral	2	7

Interpretation:

- 86% of the dealers have a good rapport with their manufactures in terms of demand & supply, technical support etc.
- 7% of the dealers have said that the relationship with the manufactures are average and there are still more areas which has to be looked into to have a better relationship.

Figure 4.1.8



4.1.9) SUPPORT FROM MANUFACTURERS:

Table 4.1.9

Requirement of Support	No. of Respondents	Percentage (%)
Good	16	53
Average	14	46

Interpretation:

- Out of the 53% of those who want support from manufacturers, 27% of the dealers want support with respect to the warranty issues.
- Effective distribution system is what 13% of the dealers require.
- One particular dealer asked for having same or similar price tag for the brands available in the market.

Figure 4.1.9

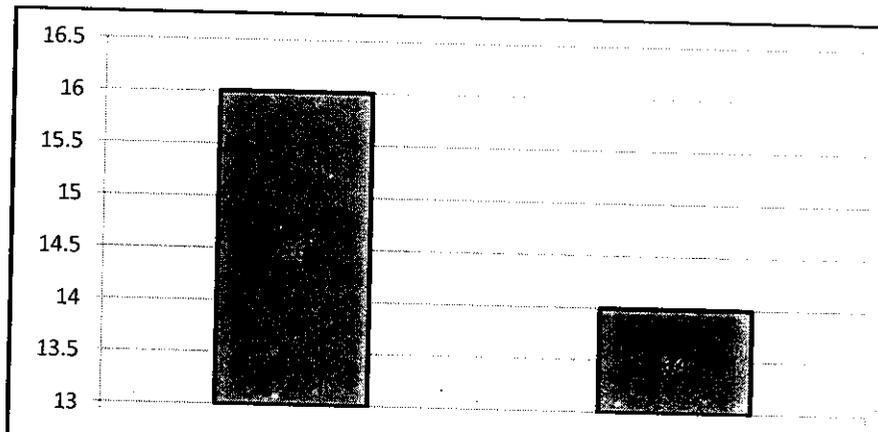


Figure 4.1.9(a)

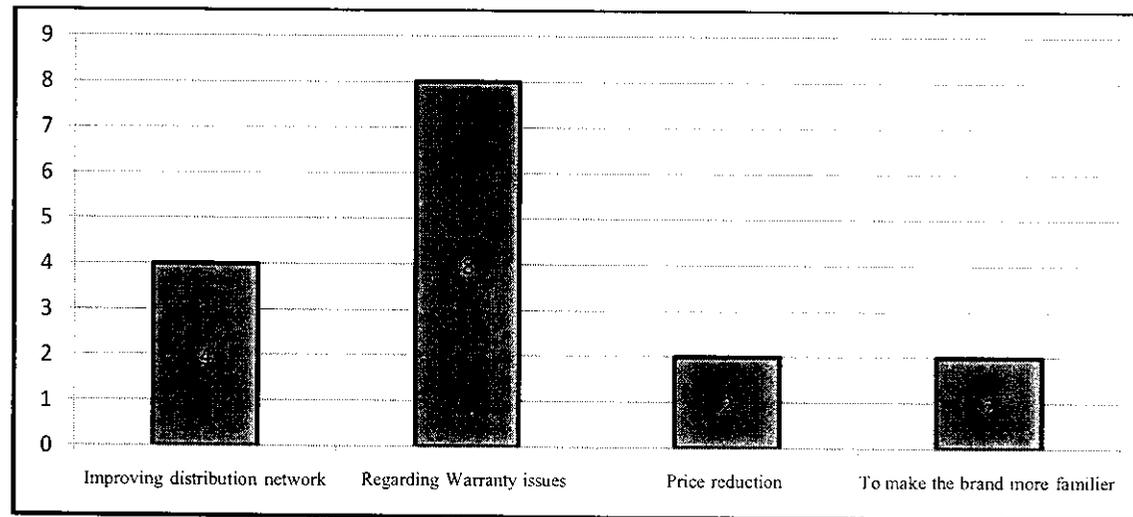


Table 4.1.9(a)

Support			
	Observed N	Expected N	Residual
Improving Distribution network	9	7.5	1.5
Warranty issues	15	7.5	7.5
Price reduction	3	7.5	-4.5
Familiarizing Brand	3	7.5	-4.5
Total	30		

Test Statistics	
	Support
Chi-Square	13.200 ^a
df	3
Asymp. Sig.	.004

DATA ANALYSIS AND INTERPRETATION

4.2 - MECHANICS PERSPECTIVE

4.2.1) BASIC DIFFERENCE IN BRANDS

Table 4.2.1

Basic differences	No. of Respondents	Percentage (%)
Life	6	24
Quality	10	40
Trust	4	16
Price	15	60
Buttons	5	20
Performance	4	16
Familiarity	2	8
Grip on road	3	12
Adaptability	2	8
Strength	3	12
Extra mileage	5	20
No difference	4	16

Interpretation:

- About 60% of the mechanics say that price is the only difference between brands and the rest are all similar. This data shows that the customers are more price conscious and the manufacturers should concentrate on pricing that best attracts the customers.
- 40% say quality is one which differentiates brands. Quality will be their next option which determines the long run of the tyres.

Figure 4.2.1

4.2.2) IDENTIFICATION OF PROBLEM BY CUSTOMERS

Table 4.2.2

Identification of problem	No. of Respondents	Percentage (%)
Yes	20	80
No	5	20

Interpretation:

- Wobbling is the main symptom when there is some problem in the tyre. This is one factor that causes many road accidents when the customers lose their balance.
- Next to that, frequent burst outs indicate that there is some problem in the tyre.

Figure 4.2.2

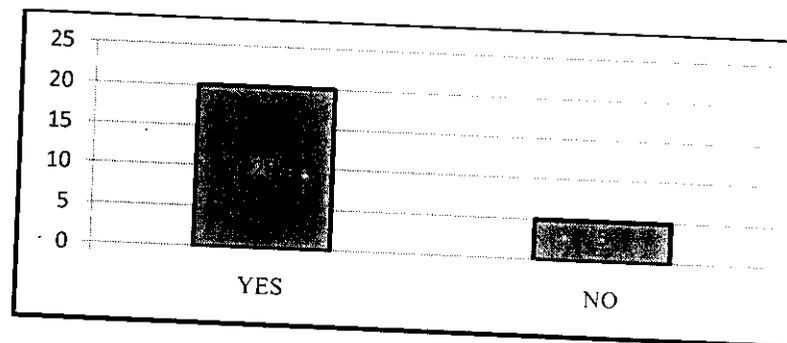
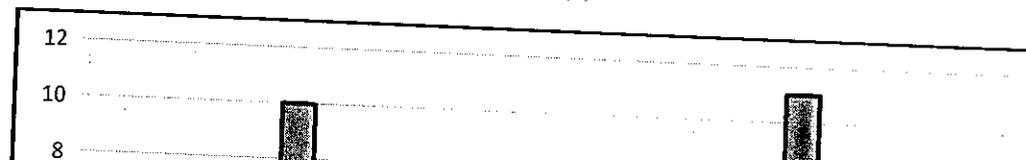


Figure 4.2.2(a)



4.2.3) EXISTENCE OF DEAL / TIE-UP

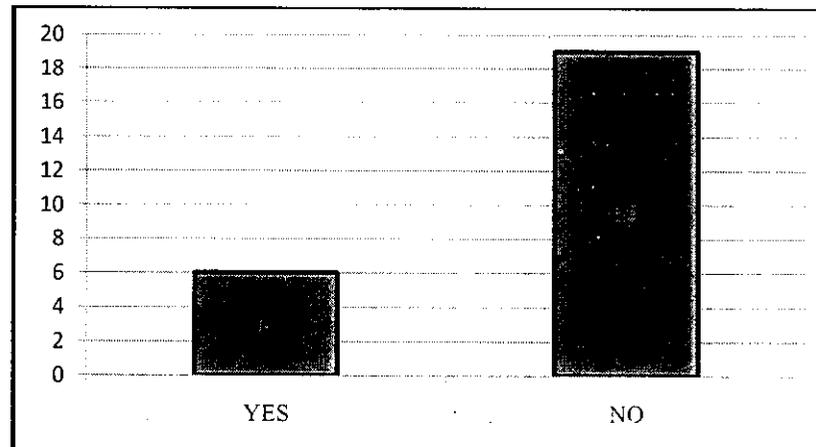
Table 4.2.3

Existence of deal	No. of Respondents	Percentage (%)
Yes	6	24
No	19	76

Interpretation:

- 76% of the mechanic's firmly say that there is no deal between them and the dealers.
- Mechanics get the tyre from the dealers as per customer's choice only.
- Whereas 24% of them say the deal exists between the two parties and it works on the basis of commission.

Figure 4.2.3



4.2.4) REQUIREMENTS OF A GOOD TYRE

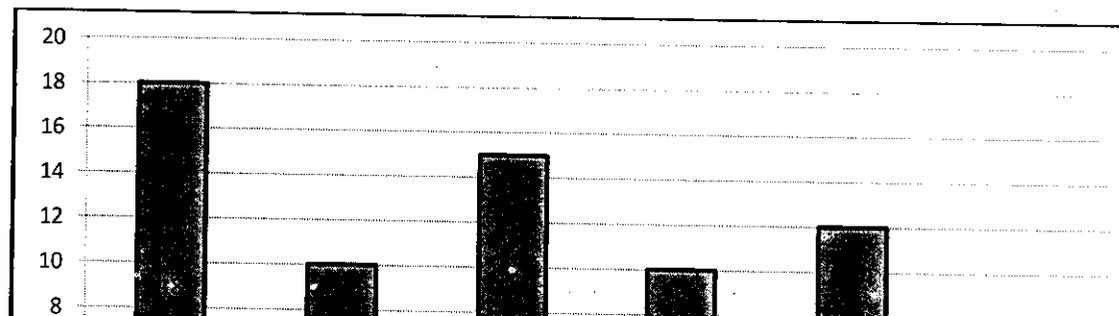
Table 4.2.4

Requirements	No. of Respondents	Percentage (%)
High life	18	72
Quality	10	40
Strength	15	60
Grip on road	10	40
Performance	12	48
Price	4	16

Interpretation:

- According to the mechanic's the most important requirement for a tyre is high life(72%) and this is what the customers too expect the most.
- Next is the strength of the tyre. The tyre should be able to deliver high performance in any given condition.
- One big challenge for the tyres is the adaptability to different climatic conditions.

Figure 4.2.4



4.2.5) OPINION ABOUT UNKNOWN BRANDS:

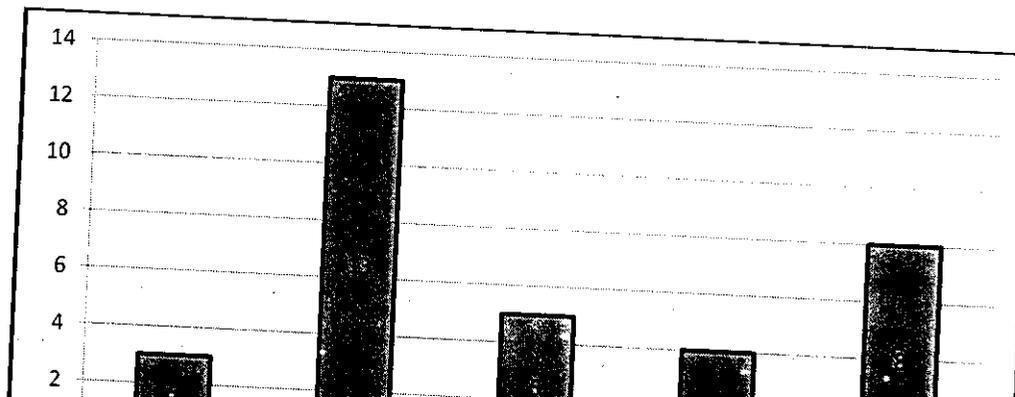
Table 4.2.5

Opinion	No. of Respondents	Percentage (%)
No warranty	3	12
Low price	13	52
Customer's don't opt	5	20
Good market potential	4	16
Style factor	8	32

Interpretation:

- About 52% of the mechanic's have a opinion that the unbranded tyres are of low cost and so few customers opt for that even though its quality is inferior.
- Unbranded is pretty famous amongst the youngsters as it is more stylish and it is well within their budget.

Figure 4.2.5



4.2.6) RANK – BASED ON PIONTS GIVEN BY MECHANICS

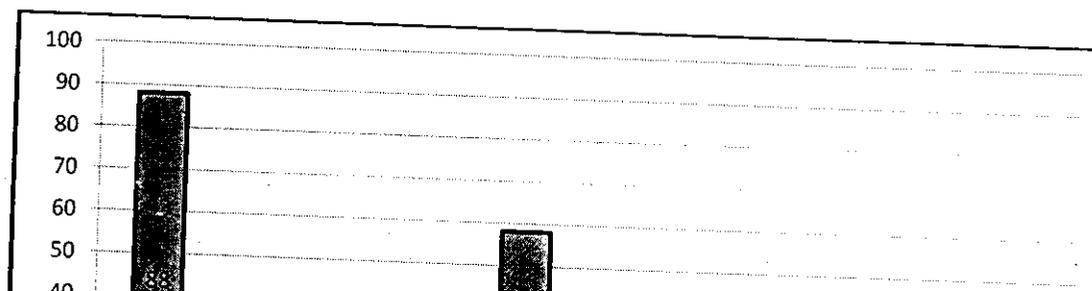
Table 4.2.6

Brand	POINTS	RANK
Bridgestone	88	1
Michelin	12	5
Goodyear	12	5
MRF	58	2
Yokohama	4	7
JK	10	6
China tyres	20	4
Apollo	36	3

Interpretation:

- Considering the ranking given by the mechanics & by calculating the points, Bridgestone tops the standings with 88 points.
- MRF follows the list with 58 points. The slide in points is mainly due to its heavy pricing.
- Premium cars mainly opt either Michelin or Bridgestone as the they deliver superior quality at affordable price.

Figure 4.2.6



DATA ANALYSIS AND INTERPRETATION

4.3 – CUSTOMER'S PERSPECTIVE

4.3.1) AGE SPLIT UP

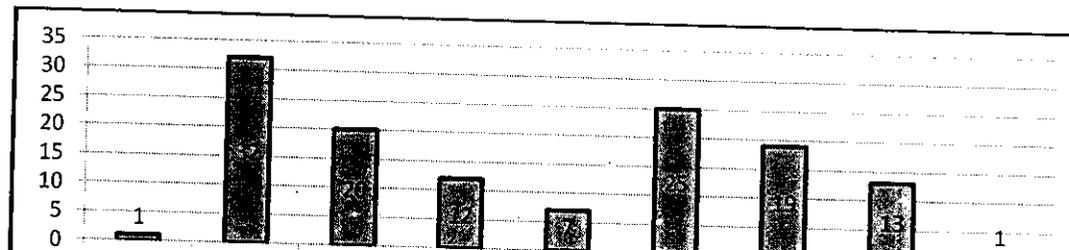
Table 4.3.1

Age	No. of Respondents	Percentage (%)
Below 25	5	9.7
25 – 30	20	38
30 – 35	14	27
35 – 40	8	17
40 – 45	1	2
Above 45	1	2

Interpretation:

- About 38% of the respondents fall within the age group 25- 30.
- 27% fall within the age group 30 - 35.
- This data shows that the ones who are using two wheelers are within 25 – 35 age.

Figure 4.3.1



4.3.2) FREQUENTLY USED VEHICLE (Minimum 25km per week)

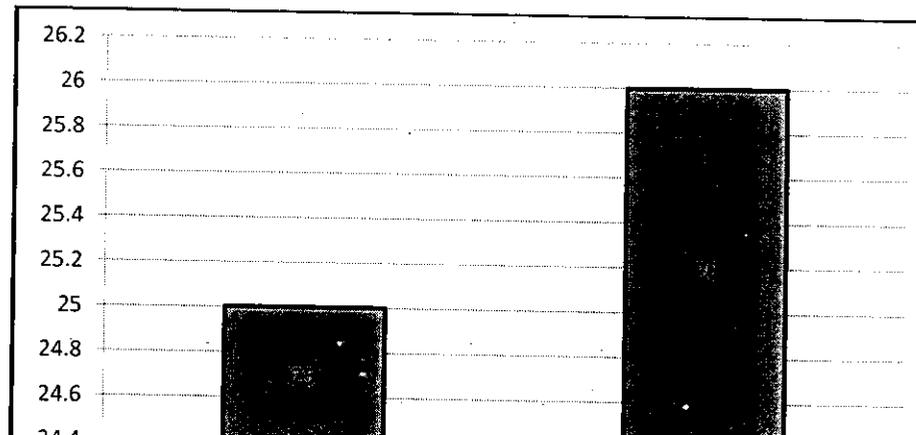
Table 4.3.2

Vehicle used	No. of Respondents	Percentage (%)
Two wheeler	25	48
Four wheeler	26	50

Interpretation:

- Half of the respondents are using four wheeler frequently. But our concentration of study is only two wheelers which also values half of the respondents.
- 48% of the respondents are using two wheelers for their daily usage which is highly economical in such a dense road traffic city like Chennai.

Figure 4.3.2

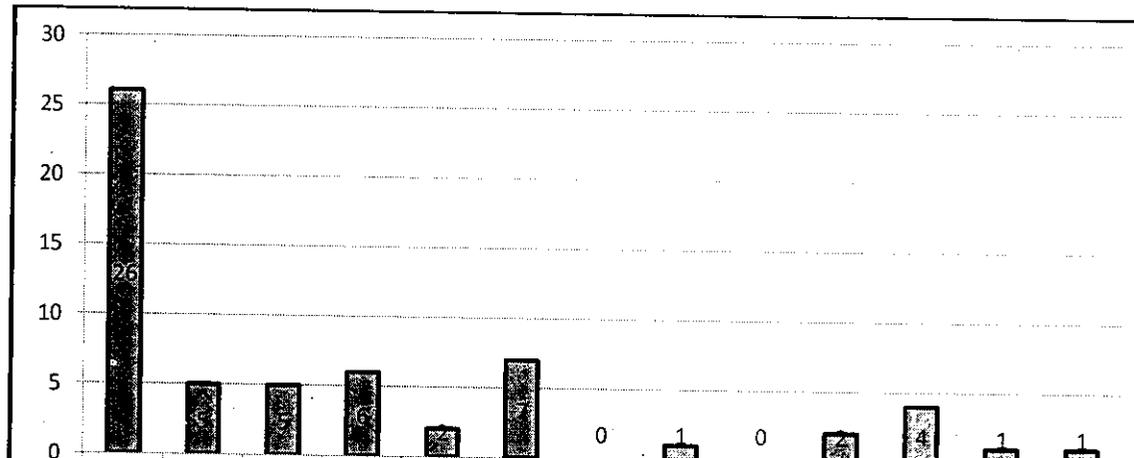


4.3.3) BRAND THAT CUSTOMERS USE / PREFER

Table 4.3.3

Brand	No. of Respondents	Percentage (%)
MRF	26	50
Apollo	5	10
Bridgestone	5	10
Ceat	6	12
JK	2	4
Dunlop	7	13
TVS	1	2
Continental	2	4
Michelin	4	8
Goodyear	1	2
Others	1	2

Figure 4.3.3



Interpretation:

- 50% of the customers are using MRF brand in their vehicles. MRF due to its strong brand image and its reputation in India has earned itself a place where it makes its difficult for its competitors.
- Dunlop is used by 13% of the customers.

Figure 4.3.3 (a)

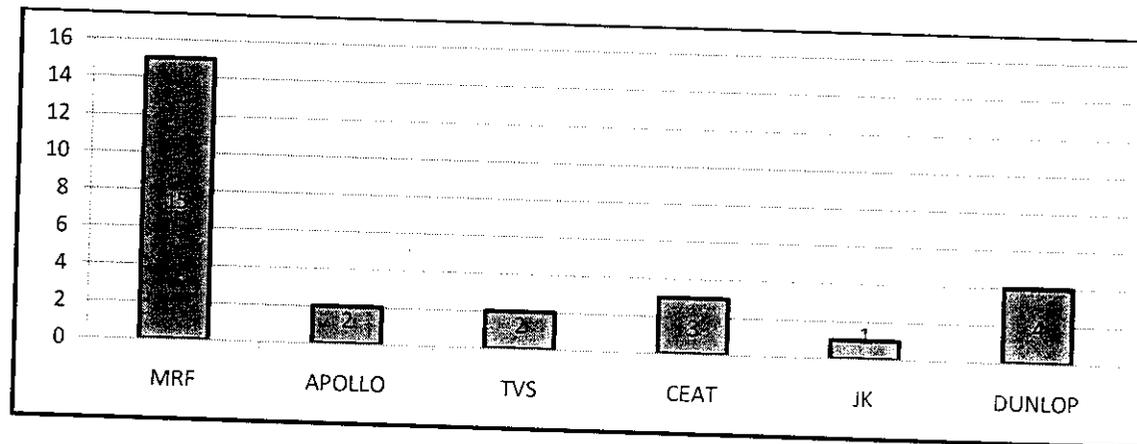
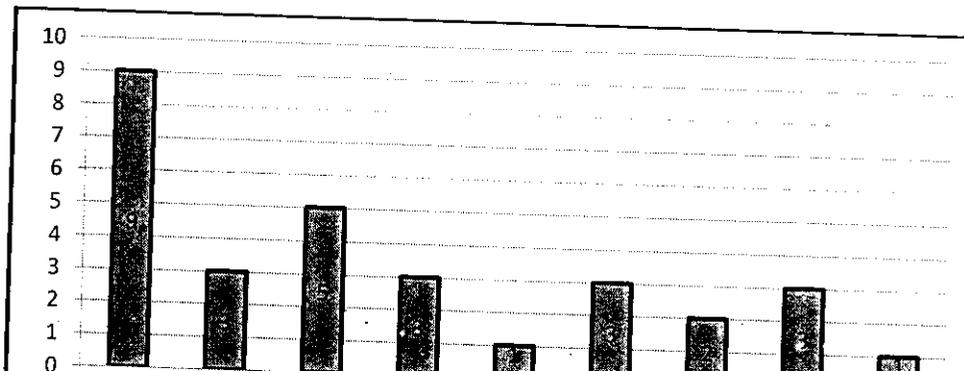


Figure 4.3.3 (b)



4.3.4) STUDY MADE BEFORE PURCHASE

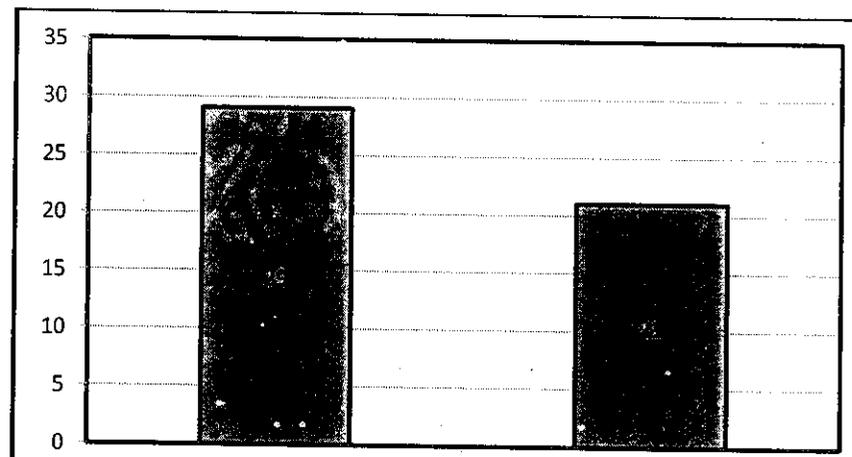
Table 4.3.4

Study made	No. of Respondents	Percentage (%)
Yes	29	56
No	21	40

Interpretation:

- 56% of the customers do make a study about the tyres before they purchase tyres for their vehicles. These are very much clear in what they exactly require.
- Whereas 40% of the customers do not make any study and they purchase the tyres based on the primary data that they collect during the time of purchase.

Figure 4.3.4



4.3.5) CUSTOMERS EXPECTATION:

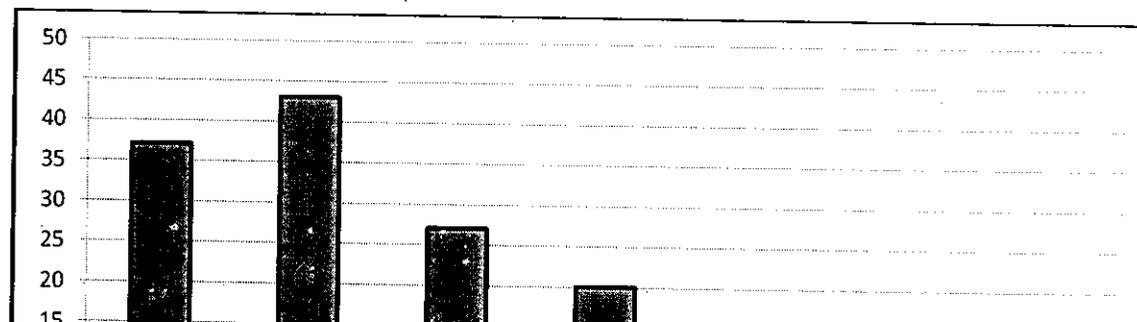
Table 4.3.5

Expectation	No. of Respondents	Percentage (%)
Durability	37	71
Quality	43	83
Life	27	52
Affordable price	20	38
Button style	2	4
Grip	2	4
Sturdiness	2	4

Interpretation:

- 83% of the customers expect Quality in tyres more than anything else. Quality ie fitness for use plays a vital when long run comes into picture.
- The power to resist, i.e. Durability comes next with 71%.
- When the above two parameters are satisfied by tyres then the third expectation will also be satisfied naturally, i.e. Life.

Figure 4.2.5



4.3.6) TOUCHPOINTS

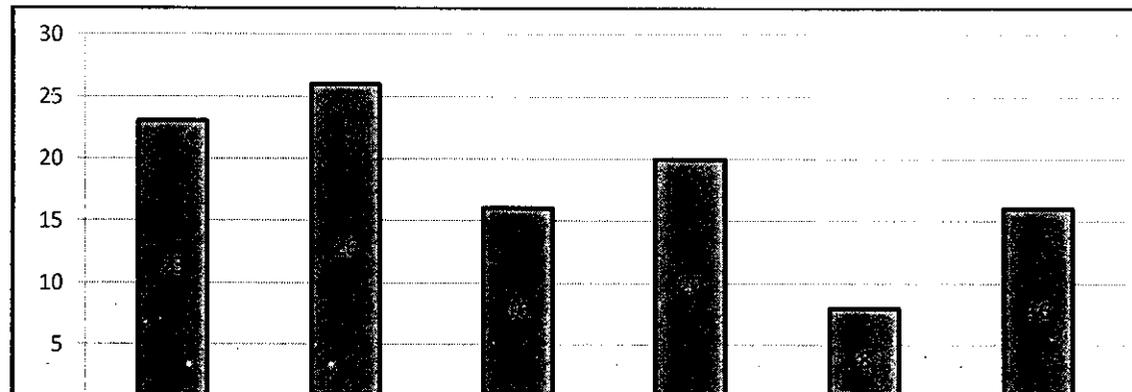
Table 4.3.6

Touchpoints	No. of Respondents	Percentage (%)
Newspaper	23	44
Television	26	50
Agent / Dealer	16	31
WOM	20	38
Internet	8	15
Mechanic	16	31

Interpretation:

- 50% of the customers say that only through Television they came to know more about tyre brands. Television is very helpful for the dealers too by using TRP ratings as the index for viewership.
- Newspaper with 44% is the next source of information regarding tyres.
- The significance of WOM here is more with 38.4% of the share.

Figure 4.3.6



4.3.7) INFLUENCING FACTORES FOR PURCHASE

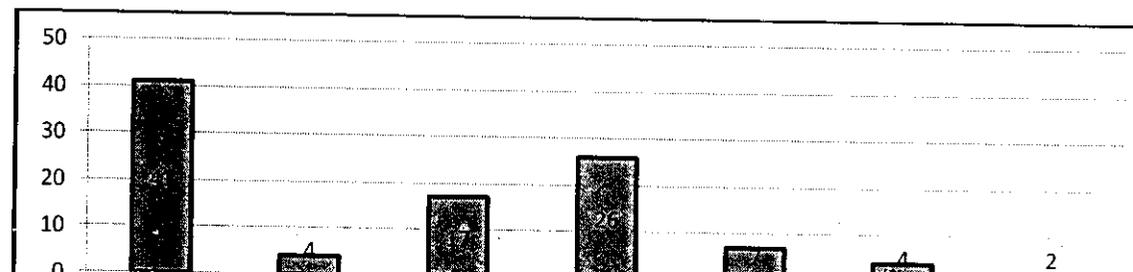
Table 4.3.7

Influencing factors	No. of Respondents	Percentage (%)
Brand itself	41	79
Brand endorsement	4	8
WOM	17	33
Mechanic's choice	26	50
Agent / Dealer's choice	7	13
Past experience	4	8
No influence	2	4

Interpretation:

- 79%, the brand itself is the influencing factor for the selection of tyres. Image once created has got a long lasting impression. So the brand itself remains as an influence factor.
- The influence of Mechanics is upto 50% when it comes to selection of tyres by the customers. Mechanics are close enough to customers who use WOM as a vital tool in influencing.
- Again, WOM has a share of 33% in influencing the selection.

Figure 4.3.7



4.3.8) PLACE OF PURCHASE

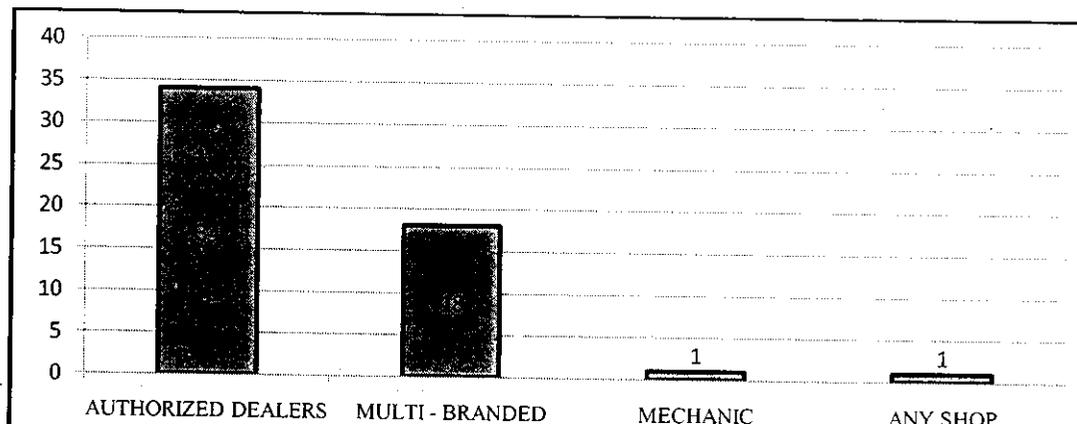
Table 4.3.8

Place	No. of Respondents	Percentage (%)
Authorized dealers	34	65
Multi – Brand stores	18	35
Mechanic	1	2
Any place	1	2

Interpretation:

- 65% of the customers prefer Authorized dealers for purchasing the tyres. The trust that customers have are heavily on the authorized dealers.
- 35% choose Multi – Branded outlets. This allows customers to chose from wide range of options and also to know about the brands and differences that they possess.
- 2% of the customers choose either Mechanics or any shop for the purchase.

Figure 4.3.8



4.3.9) SHELF LIFE OF CURRENT TYRES THAT CUSTOMERS USE

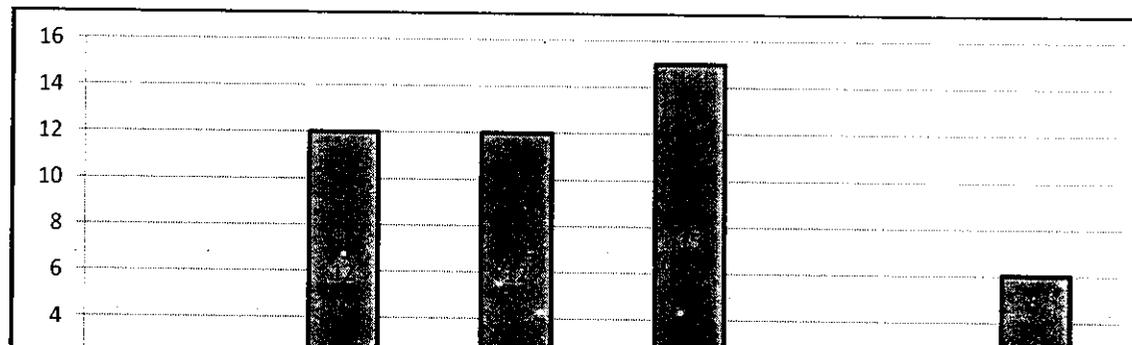
Table 4.3.9

Shelf life	No. of Respondents	Percentage (%)
Less than 1 year	2	4
1 – 2 Years	12	23
2 – 3 Years	12	23
3 – 4 Years	15	29
4 – 5 Years	2	4
Above 5 Years	6	12

Interpretation:

- 29% of the customers say that the shelf life of their tyres ranges from 3 - 4 years.
- 23% of the customers say it ranges from 1 – 2 years and 2 – 3 years. Companies can collect a raw data about these tyres which have got a low shelf life and they can improve on it considerably.
- The shelf life for 12% of the customers tyres are above 5 years.

Figure 4.3.9



4.3.10) PROBLEM IDENTIFICATION BY CUSTOMERS

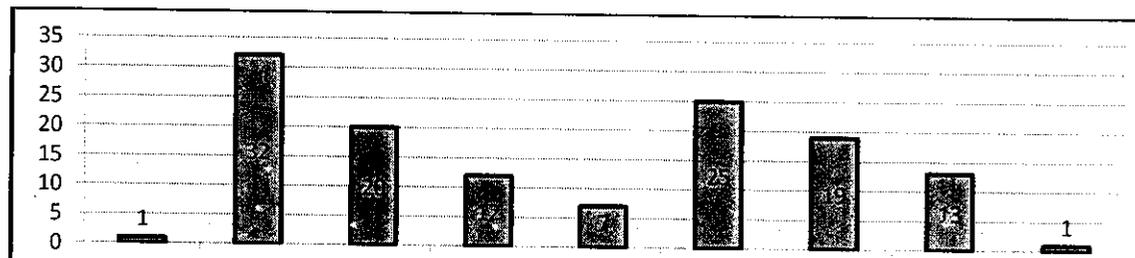
Table 4.3.10

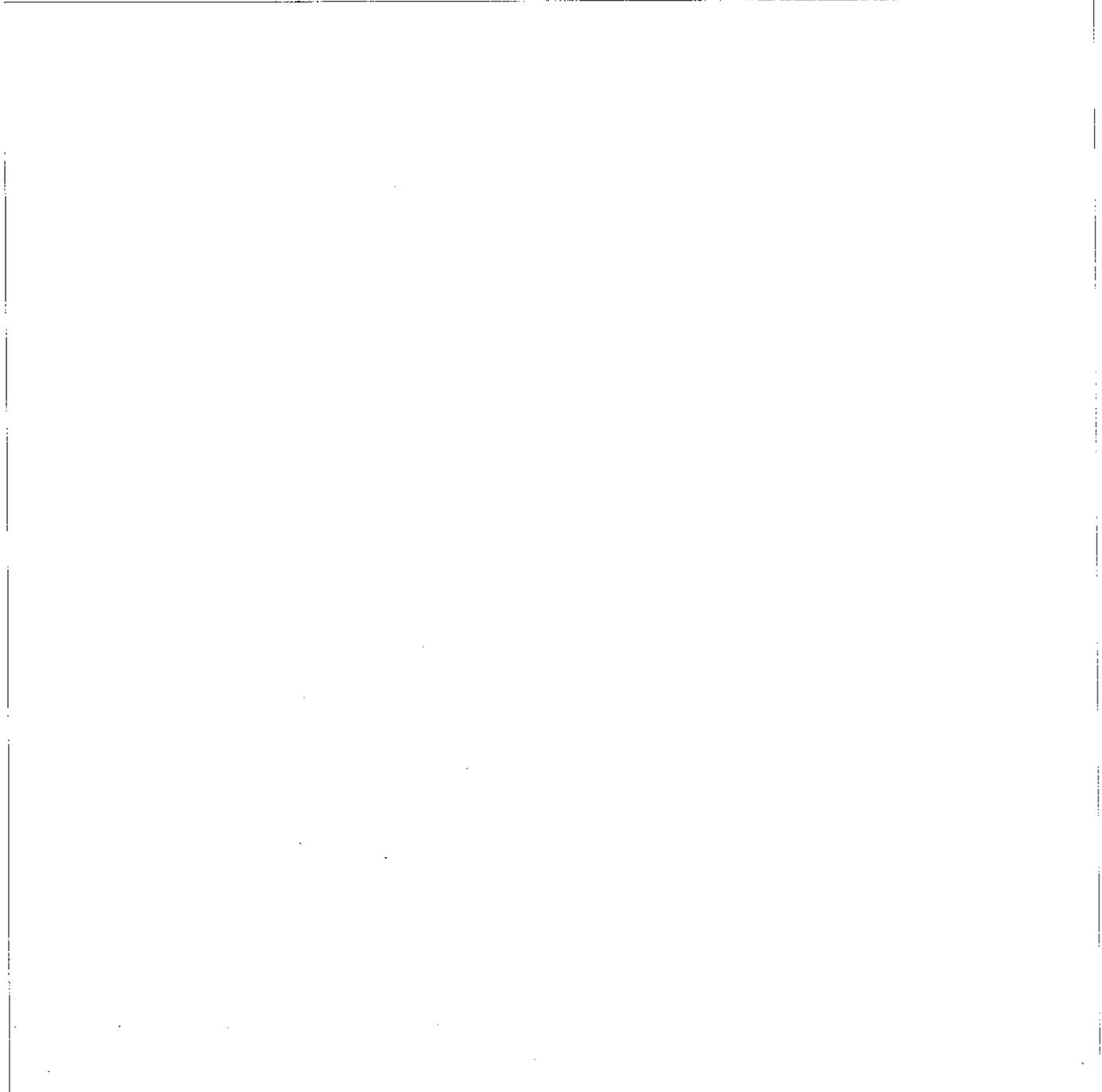
Problem Identified	No. of Respondents	Percentage (%)
Guessing	1	2
Grips getting loosen	32	62
Vehicle wobbling	20	38
Frequent burst outs	12	23
Experts suggestion	7	13
Flat tyres	25	48
Frequent air loss	19	37
Mileage drop	13	25
Looking at tyre	1	2

Interpretation:

- 62% of the customers feel there is a problem in the tyre when the grips in the tyres gets loosened.
- Another symptom which shows that there is some problem in the tyre is when the tyres gets flattened.
- 38% of the customers realize the problem when the vehicle starts wobbling.

Figure 4.3.10





CHAPTER 5

CONCLUSION

5.1 FINDINGS

5.1.1 - DEALERS / AGENTS

- Brands MRF and Ceat are available in 73% of the dealers. This brings a different perception amongst the customers. It also gives many options to the customers to choose the dealer where they want to purchase.
- Low priced tyres are the ones which the customers opt for irrespective of their quality, life etc.
- Based on the availability of stocks, dealers recommend brands to the customers.
- According to the dealers, Bridgestone has got a better market potential which is superior in quality, high life and at affordable price. MRF had the potential but not at present as it is priced heavily considering its competitors.
- Pamphlets are considered to be the effective tool in reaching the customers.
- Only 20% of the dealers feel the celebrity endorsements play a significant role in the buyer behavior.
- 87% of the dealers have got a good rapport with their manufacturers in terms of demand & supply, technical support, promotional techniques.
- About 53% of the dealers are requiring support from their manufacturers.
- The supports required are

✓ warranty issues



5.1.2 – MECHANICS

- 60% of the mechanic's opinion is that, price is the only factor that differentiates the brands available and 40% say its quality that differs.
- Mechanic's feel that 80% of the customers identify the problem themselves if there is any problem in the vehicle. Wobbling and Frequent burst outs are two main symptoms that customers can experience when there is a problem.
- 76% of the mechanic's say there is no deal or tie-up between them and the dealers. Customer are the ones who selects the brand and we just fix them.
- According to the mechanic's, the two main attributes of a good tyre are High life and High strength.
- Low price and style factor are two main factors why customers opt for unbranded tyres.
- Ranking by mechanic's
 - ✓ Bridgestone (88 points)
 - ✓ MRF (58 points)
 - ✓ Apollo (36 points)

5.1.3 – CUSTOMERS

- Two wheelers and four wheelers are equally used by the respondents.
- If it is a two wheeler, the brand that's used most are
 - ✓ MRF – 60%
 - ✓ Ceat – 12%
 - ✓ Dunlop – 16%
- If it is a four wheeler, the brands that's used most are
 - ✓ MRF – 35%
 - ✓ Bridgestone – 19%
- 56% of the customers do make a study before they go for purchase. The mode through which they know more about the brands are
 - ✓ Television – 50%
 - ✓ Newspaper – 44%
 - ✓ WOM – 38%
- Customers expectation from a tyre are
 - ✓ Quality – 83%
 - ✓ Durability – 71%
 - ✓ Life – 52%
- Brand itself plays a major role in influencing the customers in selecting the brand which accounts 79% and 50% of the influence is done by mechanics.

- ✓ 1 to 2 years – 33.3%
- ✓ 2 to 3 years – 8.3%
- Shelf life of MRF tyres in four wheelers are
 - ✓ 3 to 4 years – 33.3%
 - ✓ 2 to 3 years – 33.3%
 - ✓ 1 to 2 years – 16.6%
- The symptoms when there is some problem in the tyre are
 - ✓ Grips getting loosen – 61.5%
 - ✓ Flat tyres – 48%
 - ✓ Vehicle wobbling – 38.4%

GIST:

- This study has revealed the significant relationship that exists between the three parties when it comes to selection of tyres.
- Each and every part has direct or indirect influencing role before the purchase is made.
- This study will enhance the reach of the dealers to the public by concentrating on the various touch points.
- Customer's options in knowing more about the brand can be made use even more effectively in such a way a wider range of them are targeted.

5.2 SUGGESTIONS

5.2.1) Dealers / Agents:

- Dealers must look forward to have more stock of the tyres from a variety of brands so that the customers can have a wide range of choices which meets their requirements.
- Dealers can attract customers with innovative sales promotion techniques.
- Touch points are vital and care must be given in such a way that all the target segments are covered.
- Expenses that are made on celebrity endorsements can be diverted to R&D so that the brand can step way ahead from its competitors.
- Dealers are those who have a frequent contact with the customers, so the manufacturer should concentrate on them in providing adequate knowledge, infrastructure and help to that they can attract customers from the pool.
- Warranty is a bit of consideration and company's can make a point that can be proved so that the customers are happy with the warranty issues.

5.2.2) Mechanics:

- Awareness can be provided to the mechanics regarding the various features and functionality about each tyre so that they can convey the same to the customers.
- The trust that customers have on mechanics are higher than that of the dealers or

- They can also gather information from its rival brands from the mechanics so that they can outsmart them in some department or the other.
- Duplicate tyres have also got a significant market so care should be provided to tackle the issue.

5.2.3) Customers:

- Most of the tyres that customers use are those which were fitted at the point of purchase itself. So manufacturers of tyres can be much more aggressive in getting agreement or tie up's with vehicle manufacturers.
- Even though the ways in which information can be gathered are numerous, people still find television as their primary source of information. So its obvious that manufactures, dealers need to target television to convey their product.
- Quality is what most of the respondents look in a tyre. People are ready even to pay more if the quality is more. So the priority should be given first to quality.
- Creating brand image should be the primary objective of the manufacturers which will help the company in the long run. Once the brand image is created, then it will take care of the rest.
- The raw material which the tyres use should be of standard quality so that the tyre's grip stays for a longer run.

5.3 CONCLUSION

This study has brought the inter relationship that exists between the dealers, mechanics and the customers to the limelight. This has given a detailed understanding about the pattern of behavior between the three parties during, before and after the purchase of tyres.

The data thus collected and analyzed will be of great value to the manufacturers as they can formulate strategies accordingly and it also gives a fair idea about the tastes and preference of the customers so that the manufacturers can deliver exactly what they need.

This study also penetrates into promotion techniques where concentration is given to the Touch – Points and the effect of those on customers. This will suggest the dealers and manufactures to use sales promotion techniques that will bring them profitable results.

For a developing country like India which predominantly depends on roadways for most of its logistics and also the automobiles manufacturing hub of South Asia, tyre industry is considered to be the point of importance. So this is an multi utility study which aids in overall development of the industry.

|

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APPENDIX

QUESTIONNAIRE – DEALERS /AGENTS PERSPECTIVE

- 1) Name :
- 2) Area :
- 3) Mode of operation
(a) Retailing (b) Wholesaling (c) Both
- 4) Jot down the list of brands available : _____

- 5) Customers possess adequate knowledge about the brands
(a) Agree (b) Disagree (c) Neutral
- 6) If yes, what are the requirements that they expect to be satisfied?
(a) Durability (b) Stability (c) Life (d) Price (e) Quality
(f) Others (if any): _____
- 7) Do you directly offer the product what customers ask for or you recommend them with options?
(a) Yes (b) No
- 8) If yes, on what basis you recommend?
(a) Budget (b) Availability of stock (c) Customer usage
(d) Market movement (e) Performance
- 9) Which brand has got a strong market potential? Identify the main

11) Does celebrity endorsements to your brand play a significant role in the buying behavior of customers?

(a) High Level Significance (b) Average Level Significance (c) No Significance

12) How healthy is your relationship with your manufacturers in terms of quality, demand & supply, promotional techniques etc.

(a) Good (b) Average (c) Poor

13) Do you require any sort of support from the manufactures? If yes, what?

(a) Improving Distribution system (b) Regarding warranty issues (c) Price reduction

(d) Making brand more familiar

14) Others if any:

QUESTIONNAIRE – MECHANIC’S PERSPECTIVE

- 1) Name _____ :
- 2) Experience _____ :
- 3) Do vehicles come with tyre problems?
(a) Yes (b) No
- 4) Jot down the basic difference that exists between various brands and its significance.
(a) Price (b) Quality (c) Life (d) Button pattern (e) Road grip
- 5) Do customers identify the problems pertaining to tyre? If yes, how?
(a) Wobbling (b) Burst Out (c) Skidding (d) Mileage drop (e) Flat tyres
- 6) Is there any deal / tie-up between the mechanic’s and the dealers/agents? If yes what?
(a) Yes (b) No
- 7) What are the requirements of a good tyre?
(a) High Life (b) Strength (c) Performance (d) Quality (e) Price
- 8) What is the opinion of customers regarding unknown brands of tyres?
(a) Low Price (b) Style factor (c) No warranty (d) Less warranty
- 9) Customers preference amongst the brands in the market. List and rank them.

RANK	BRAND
1	
2	
3	

QUESTIONNAIRE - CUSTOMERS PERSPECTIVE

1) Gender

- Male
- Female

2) Age (years)

- Below 25
- Between 25 – 30
- Between 30 – 35
- Between 35 – 40
- Between 40 – 45
- Above 45

3) Vehicle that you use frequently (Minimum 25 Km per week)

- Two Wheeler
- Four wheeler

4) Brand that you use

- MRF
- Apollo
- Bridgestone
- Ceat
- JK
- Dunlop
- Firelli
- TVS
- Yokohama
- Continental
- Michelin
- Others

5) Do you make out a study about the brand before purchasing it?

- Yes
- No

6) What do you expect in a tyre?

- Durability
- Affordable price

8) What are the influencing factors for selection of tyres?

- Brand itself
- Brand Endorsement
- Word of mouth
- Mechanics choice
- Agents/dealers choice
- Others

9) Where do you make the purchase?

- Authorized dealers
- Multi-branded stores
- Others

10) Shelf life of the current tyres in your vehicle.

- Less than 1 year
- Between 1 – 2 years
- Between 2 – 3 years
- Between 3 – 4 years
- Between 4 – 5 years
- Above 5 years

11) How do you realize that there is some problem in the tyre?

- Guessing
- Grips getting loosen
- Vehicle wobbling
- Frequent burst outs
- Word of mouth
- Experts suggestion
- Tyres getting flat
- Frequent air loss
- Drop in mileage
- Others