EXECUTIVE SUMMARY

Topic of the study: “Customer Satisfaction Level for Two Wheeler Vehicle”

Need for study:

To understand the satisfaction level of the customer regarding the TVS two wheeler vehicle and also the service provided by them at various level, to understand what are the customer requirement and improvement required by them in service and product.

Objective of the study:

- To know working process of the company.
- Future prospective of the company.
- To know customer satisfaction level regarding product & service.
- To understand the competitors strategy.

Research Design:

- **Primary Source:** Questionnaire & Personal interaction in the company.
- **Secondary Source:** Company data through internet.
- **Sample Size:** 100 customers (random sampling)
- **Location:** Belgaum

Outcome & Benefits of the study:

The outcomes of this project would give the company a clear understanding about the customer feedback as well as their satisfaction level and also to understand what the competitors are doing in order to increase their sales. By this research, the company can improve on their strategy and also improving on service strategy so that the customer are not just satisfied but delighted.
INTRODUCTION

TO

MANICKBAG AUTOMOBILES
MANICKBAG AUTOMOBILES

Manickbag automobiles is one of the major automobile dealers in Belgaum city, is located at 360, Dharwad road, which is spread into various diversified, run by two of the eminent families, Mirji family and Shah Family. Though the people of Belgaum may know it just in the name of dealer of automobiles but it has spread its net into various business units. So let me tell its profile right from beginning of its inception of the foundation of the business it started with.

The History:

1920: the business stared with the landmark of rice mill and oil mill.

1950: one of partners being educated in the field of engineering with mechanical and electrical started with the business in automobiles.

1951: Manickbag automobiles came into light, known for dealers in automobiles.

1954: Manickbag automobiles got the dealership of MICO and PERKINGS ENGINES.

1958: Manickbag automobiles came into the big screen by getting the dealership of Ashok Leyland (heavy commercial vehicles) from hinduja groups. Along with the dealership of ashok Leyland, Manickbag even stepped in the dealership of international tractors.

1959-60: started with machine shop in the name of Manickbag garage and industries.

1983-84: got the dealership of two wheelers from TVS automobiles and started with dealership of TVS mopeds, later with motorbike-IND SUSUZUKI, and finally also with dealership scooterettes... TVS scooty, Suzuki fiero, victor.

1992- Gave up the dealership of ashok Leyland (heavy commercial vehicles) of the hinduja groups and diverting towards TATA MOTORS. Where it had the various types of
vehicles to the customers, LCV-Light commercial vehicle, HCV-Heavy commercial vehicles, MUV-Multi Utility Vehicles, PCD-Passenger Car Division, since from the year 1998.

Apart from the above mentioned business diversified business taken up by Manickbag automobiles, it also has the dealership of BOSCH, mico Blaupaunkt (Car stereo), also runs a pollution check center approved by the government of Karnataka and RTO.

Head office of Manickbag automobile is situated in hubli where it again deals with TATA vehicles (LCV, HCV, MUV, PCD). apart from having the head office, Manickbag automobiles has it branch office at Ankola and Bijapur also....
COMPANY PROFILE OF TVS
TVS GROUP

TVS Group was established in 1911 by Shri. T V Sundaram Iyengar. As one of India’s largest industrial entities it epitomizes Trust, Value and Service.

TVS Motor Company Limited, the third largest two-wheeler manufacturer. In India and among the top ten in the world, with an annual turnover of over USD 650 million.

The year 1980 is one to be remembered for the Indian two-wheeler industry, with the roll out of TVS 50, India’s first two-seater moped that ushered in an era of affordable personal transportation. For the Indian Automobile sector, it was a breakthrough to be etched in history.

TVS Motor Company is the first two-wheeler manufacturer in the world to be honored with the hallmark of Japanese Quality - The Deming Prize for Total Quality Management.

TVS Motor Company Limited is one of the largest two-wheeler manufacturers and also among the fastest growing companies in the country. It is the largest manufacturer of sub 100cc (50cc, 60cc & 70cc category) 2-wheelers in the world.

It has the unique distinction of having sold nearly 4 million mopeds the highest ever in India. It exports its range of products to 17 countries worldwide. Its unrelenting pursuit of customer satisfaction in all aspects of manufacturing of 2-wheelers is reflected in over 6 million satisfied owners of mopeds, motorcycles and scooters. Its 4000 highly motivated employees manufacture high quality vehicles from two manufacturing plants in Hosur and Mysore, with a wide dealer network of around 410 & 1200 service outlets.
Products:

Two Wheelers in India was set up as a joint venture between TVS and Dunlop, UK in 1960. The company supplies wheels as Original Equipment to all major vehicle manufacturers in the country. Wheels India is entering into collaboration with Titan, the world leader in off-highway vehicle wheels relating to earthmoving, construction and agricultural equipment. Manufacturing Plants are located at Chennai, Tamil Nadu, Rampur, UP and Ranjangaon, Maharashtra. Wheels India has a workforce of 1200.

Products and Services

Wheels for commercial vehicles, cars, jeeps, tractors, construction equipment / earth mover and defense vehicles, wire wheels for export and air suspension systems for commercial vehicles.

Launched Models:

1. India’s first 2 seater 50cc Moped TVS 50, launched in Aug 1980.


3. Launched India's first indigenous Scooterette (sub-100 cc variomatic scooters), TVS Scooty in June 1994.

4. Introduced India's first catalytic converter enabled motorcycle, the 110cc Shogun in Dec 1996.

5. Launched India's first 5-speed motorcycle, the Shaolin in Oct 1997.

6. Launched TVS Fiero, India’s first 150 cc, 4 stroke motorcycles in April 2000.

Launched TVS Victor, 4-stroke 110 cc motorcycles, in August 2001; India’s first fully
indigenously designed and manufactured motorcycle.

7. Launched TVS Centra in January 2004, a world-class 4-stroke 100 cc motorcycle with the revolutionary VT-i Engines for best-in-class mileage.

8. Launched TVS Star in Sept 2004, a 100 cc motorcycle which is ideal for rough terrain.

**Products:**

TVS Victor

4-Stroke, 125cc, performance motorcycle with VT-i technology.
TVS Apache: 4-Stroke, 150cc, high performance motorcycle.

TVS Scooty: 4-Stroke, 90cc scooterette for the new generation.

TVS CentraL: 4-Stroke, 100cc executive motorcycle with revolutionary VT-i engine.

TVS Fiero: 4 stroke, 150 cc premium performance motorcycle.

TVS Star: 4-Stroke, 100cc value for money economy motorcycle for good mileage and rugged terrain.
Subsidiaries of TVS Group:

TV Sundaram Iyengar and Sons Limited operates through the three following divisions:

1. TVS and Sons distribute Heavy Duty Commercial Vehicles, Jeeps and Cars. It represents premier automotive companies like Ashok Leyland, Mahindra and Mahindra Ltd., Fiat and Honda. It also distributes automotive spare parts for several leading manufacturers.

2. TVS & Sons has grown into a leading logistics solution provider and has set up state-of-the-art warehouses all over the country. It has also diversified into distributing Garage equipment that ranges from paint booths to engine analyses and industrial equipment products.

3. Sundaram Brake Linings Limited - First Indian company to manufacture asbestos-free brake linings, woven clutch facings and disc pads for automotive applications.

4. Sundaram Fasteners Limited - India's largest manufacturer of tensile fasteners. First company to receive ISO 9002 certification. Also principal supplier of radiator caps to GM in USA.

5. Sundaram Finance Limited - Leading consumer finance company in India.

6. Sundaram Industries Limited - With a reputation built over five decades, comprises several divisions: custom moulded rubber products, tyre services and coach building. Also specializes in refrigerated trucks and bunk beds.
7. Sundaram Clayton Limited – Sundaram-Clayton Limited was established in 1962 in collaboration with Clayton Dewandre Holdings Plc. (WABCO Automotive) pioneering the manufacture of air brake systems in India. SCL enjoys a major share of the Indian OEM market as well as the domestic aftermarket, which it caters to through a strong and well spread-out distribution network. SCL-Brakes division is the first company in India and fourth company outside Japan to win the Deming award for achieving distinctive performance improvements through TQM.

8. Sundaram Motors - Major dealers for Indian and foreign cars in South India. Established in 1966, Sundram Fasteners Limited (SFL) is today the largest manufacturer of high tensile fasteners in India. SFL is also the principal supplier of radiator caps to General Motors, North America. Powder metal parts include rotors & gears, shock absorber components, valve train components, structural components and bushes. Cold-extruded parts include gear blanks, transmission parts, cams, starter sleeves, and pins and CV joint parts. The radiator caps range includes oil filter caps and fuel filter caps, both metallic and plastic.

Branched off into three divisions:

Rubber Division, started in 1962, manufactures moulded rubber products for the export and inland markets.

Coach Division, started in 1960, has its main plant in Madurai with two branches. It employs about 900 persons.

Tyre Services Division, with 28 branches and a workforce of 600: Sundaram Finance and associate companies promote Transenergy Limited. It was incorporated in 1981 in technical collaboration with Deltec Fuel System BV, Holland, internationally renowned manufacturers of Fuel Charging Systems for Internal Combustion Engines using Gaseous Fuels such as LPG (Liquefied Petroleum Gas) and CNG (Compressed Natural Gas). The factory and R&D Unit are located at Chennai.
A JV established in 1995 by T V Sundram Iyengar & Sons Limited, Asia Match Company Limited, Ashok Leyland Holdings Limited, Ashok Leyland Investments Limited from India with Worldwide Enterprises Pvt. Ltd of Sri Lanka. The commercial operations were commenced from 1997 and the Company has established a vast network of over 60 dealers across the length & breadth of the Country. Initially the focus was on distribution of genuine replacement parts for Ashok Leyland and Tata commercial vehicles from Quality auto component manufacturers from India, the JV is now looking at expanding the scope of distribution to cover distribution of spare parts for Japanese vehicles also. The core strength of the company is its large supplier base from India and vast network of dealers.

TVS Interconnect Systems Limited was incorporated in the year 1999. The company has its manufacturing facility located at Madurai. The Business Development and Marketing Functions are head quartered at Bangalore. The regional marketing offices are located at Bangalore, Hyderabad, Mumbai and Delhi.

Manufacture and assembly of Electronic connectors, Rf Coax Product, Cable Assemblies, Fiber Optic Products and accessories.
Company Network:

TVS Motor Company has one of the most extensive networks with over 500 dealers and 2500 Customer touch points.

We are the first in the two-wheeler industry to measure customer satisfaction, audited by external consultants of international repute.

We have taken care to standardize facilities across all customer touch points. Upgradation of facilities and continuous improvement in all processes is given importance. The company also takes an active part in imparting training and capability building in all areas including sales, service and business management. All our dealers are connected through the extended network of SAP, ensuring operational efficiency forming the inner rung of the extended TVS family; our suppliers are involved at every stage of product development.

We extend core values and best practices to all our suppliers. Through continuous training forums we impart TPM (Total Productivity Maintenance) and JIT (Just in Time) practices.

TVS suppliers are committed to quality through continuous improvement and upgradation of processes. This has helped them obtain prestigious international certifications like ISO 9000, QS 9000 & TS 16949.
The TVS Motor Company R&D team has a strong pool of technical talent supported by state-of-the-art infrastructure capable of developing new and innovative designs. Currently, more than 400 engineers work on developing radically new products and cutting-edge engine technologies. Our R&D team has developed the revolutionary Variable Timing Intelligent (VT-i) Engines, one of the most innovative technologies developed in the two-wheeler industry.

TVS R&D Engineers have published multiple technical papers in international conferences on engine and vehicle technologies. They also have a number of patents to their credit.

**Quality is the way of life**

At TVS Motor Company, every department works in tandem to produce quality products. The people form the pillars of support, strengthening the overall quality standards and moving towards total customer satisfaction.

In our quest to achieve world-class levels in quality as well as improvements in design and processes, the company has formed special task forces to monitor quality related performance. The basic tenets of TQM, including Daily work management, Policy management, Kaizen (continuous improvement), Training and standardization are followed across our organization.

Acknowledged by the Japanese for Quality. We at TVS Motor Company are proud to have been awarded the prestigious and coveted Deming Prize, instituted by JUSE (Union of Japanese Scientists and Engineers). TVS Motor Company is the only 2-wheeler company in the world to have received this award.

TVS Motor Company was also awarded the prestigious "TPM Excellence award - First
“Customer Satisfaction Level for Two Wheeler Vehicle”

category" by Japan Institute of Plant Maintenance (JIPM), rated as the benchmark in TPM excellence in India.

Social responsibility

This extended arm of the company believes in social responsibility and has involved itself in several community development initiatives that have significantly improved the standard of living of the people in 51 adopted villages across the country.

Economic development

The program enables people below the poverty line in these adopted villages to earn their livelihood by involving them in activities that generate income.

Health

Health is one of the main focus areas of the Srinivasan Services Trust. Dental care camps; eye camps, health check-up and nutrition programs are conducted. The initiative also focuses on primary health, maternal health, child-care and leprosy eradication.

Infrastructure Development

The Company is actively involved in the community development of the villages by providing infrastructure facilities such as housing, sanitation, roads, drains, bus shelters, medical centre and natural resources management.

Rebuilding Quake Hit Villages

Supported by Rural Agro Research & Development Society and Kutch Nav Nirman Abhiyan, the Company has rebuilt “Goyersama” a village in the District of Gujarat, which was hit by an earthquake of unprecedented scale and magnitude on 26th January 2001.

Education and Literacy
In addition to providing infrastructure facilities like new buildings for school, the Company helps establish computer education programs for school children. The Srinivasan Services Trust has successfully achieved 98% primary school enrollment in the adopted villages.

The performance in January 2006 represents the shape of things to come in the coming months. While the performance of new brands launched last year, in particular, StaR City continue to beat expectations, TVS Apache, the new 150 CC motorcycle in the premium segment promises to be a winner as it has already won several coveted awards for its overall performance and style.

TVS StaR City is amongst the few bikes that have crossed the sale of 50,000 units per month. StaR City has enabled the company to make significant inroads in the economy segment of the motorcycle market.

TVS Scooty recorded 17,957 units in January 2006 compared to 14,724 units in the same period last year recording a growth of 22%. Scooty Pep+ won the best “Scooter of the year award 2006” by OVERDRIVE and it continues to be a dominant player in the ungeared scooter category.

In the export front, TVS Motor Company continued its robust performance having exported 6,374 units in January 2006. Exports recorded a growth of 147% compared to the same period last year.
Awards:

TVS APACHE bags 5 coveted awards by leading Auto Magazines

“Bike of the Year”
CNBC-TV18 AUTOCAR AUTO AWARDS 2006

“Bike of the Year”
OVERDRIVE Awards 2006

“Bike Of the Year”
Business Standard Motoring Awards 2006

“Indigenous design of the year”
OVERDRIVE Awards 2006

“Design of The Year 2006 - Two Wheelers”
BBC Top Gear design awards 2006

SCOOTY PEP PLUS
“Customer Satisfaction Level for Two Wheeler Vehicle”

“Scooter of the year”
OVERDRIVE Awards 2006

ISOTOPE 200 (concept bike from TVS Motor Company)

“Design of The Year - Concept Vehicles”
Top Gear design awards 2006

Strategy:

CONSOLIDATION is the current theme at TVS Motor. In the intervening period - that is, before new models are rolled out - the company seems to be trying to refocus and offer potential customers more choice with the launch of new variants under the existing badges.

The new variants have been fine-tuned based on customer feedback. They will attempt to offer more value to the customer, even as competitors have been nibbling away at the company's market share.

The new variants are basically spruced up versions of bikes that have either been performing below expectations or attracting customers only in specific markets.

So, the obvious two to get the cosmetologist's treatment are the TVS Victor GX and the Star.

The 110cc Victor GX was not finding many takers from either the 100cc or the 125cc segments. Designed to attract the entry-level bike buyer interested in a bit more of power and style, the Victor GX (and for that matter the GLX) has not been able to stir up the same level of interest among potential customers that the original Victor had managed to do.
Now, TVS is replacing the Victor GX with the newly developed Victor Edge, and the principal change is the heart transplant. The old 110cc engine has been hauled out and a slightly tweaked version of the GLX's 125cc engine has been put in its place.

The new, fine-tuned 125cc engine delivers a higher 9.2 bhp of peak power against the 8.1 bhp that the earlier 110cc engine managed.

The extra power should give the Edge an advantage in the premium entry-level bikes category. However, TVS has not chosen to replace the four-speed gearbox with a five-speed shifter, a feature that more bikers in this segment want as part of the package.

The Victor Edge's engine performance has been aided by a roller cam follower for reducing friction losses, and this is expected to improve fuel-efficiency. The engine also features larger valves and a reworked air-box for better air induction.

Overall, the changes boost peak torque output to a high 10 Nm at a low 4,000 rpm.

The Edge also features changes to the chassis, including an increased wheelbase and a new box section swing arm for greater stability and better maneuverability, handling and ride. The Edge's wheelbase has been increased from 1,200mm to 1,240mm, and comes with gas filled shock absorber at the rear.

The other additions are optional alloy wheels and disc brakes, new dual tone side-panel stickers with five colour theme options, enhanced grip levers for better feel, and slightly reworked switchgear that feels more sturdy and reliable.

The Edge is priced at Rs 40,990 (ex-showroom, Chennai).

Along with the launch of the Victor Edge, TVS has unveiled a new version of the company's barebones, entry-level 100cc bike.
The Star (spelt as StaR) had replaced TVS' long standing two-stroke entry-level bike series - the erstwhile Max 100 and Max 100R - last year.

After the launch of the Star Dlx, the slightly jazzed-up version of the basic stripped-down model, the TVS Star City, launched earlier this month, will now attempt to offer the entry-level biker who wants to continue to stick within the bounds of this segment, a bit more style and finish.

The Star City will target potential, fuel-efficiency conscious 100cc bike buyers who live in the city and will be willing to pay a marginally higher price for more features, and better looks and finish quality.

With that target audience, the bike is being offered with a new headlamp fairing and halogen bulb combo, simpler, easy-to-read instrumentation with a new blue backlight, push-cancel indicator switches, new spring shock absorbers with a hand-operated preload adjustment lever and a new sporty silencer and heat shield combo that feature the same diagonally chopped-off design that Yamaha first brought to the market.

Seat width on the Star City has also been increased slightly to improve ride comfort for long distance travel. The roller cam follower technology that TVS first adopted in the Centra has been inducted into the Star City for friction reduction and increased mileage.

The bike will also sport a new, more rigid, reinforced chassis frame and wider three-inch tyres at the rear for improved stability and road holding.

Dual tone colours are also being offered and TVS will soon launch a new advertising campaign for all its three new variants - Scooty Pep+, Victor Edge and the Star City.
There was a time, not long ago, when a two-wheeler meant a Bajaj Chetak or an LML Vespa. In the past five years or so, sales of motorcycles have outstripped sales of nearly all other two-wheelers.

Consumer preferences have shifted in favour of motorbikes and though this is partly related to price factors, it is also due to the fact that motorcycles are actually being seen as better vehicles than the heavy and unwieldy geared scooters.

The sales tax rationalisation that took place in the 2001 budget resulted in scooters becoming more expensive than before. In addition the government began to enforce strict Euro-emission norms which forced scooter manufacturers to install catalytic converters in existing vehicles or to go in for four-stroke engines to reduce pollution, thus adding to the costs of scooters. But, fortuitously, motorcycles were already in tandem with these new norms.

Motorcycle, being more suited for commuting than any other vehicle, combines a variety of factors such as comfort, ability to handle bad roads and intrinsic stability. All this makes it extremely suitable for the Indian market.

Here comes gearless but, curiously enough, in the past one year the scooter has not only back, but is surging ahead in sales - and this time it is sleeker, lighter and, most importantly, without gears. Indeed, in a number of B and C cities and small towns across India, women and teenagers are taking to gearless scooters like “ducks to water”.

It’s easy to see why. Gearless scooters are light and easy to handle, have sufficient compartments to carry goods and go easy on fuel, much like mopeds, with their almost legendary fuel-saving ability.

In fact, in recent times, auto industry experts say there has been a discernible shift of buyers from mopeds to gearless scooters as the latter cost just a couple of thousand more and come with sturdier bodies and better looks.
Around two years ago when sales of geared scooters started falling, a number of companies led by Honda Motor and Scooters India, which did not have a motorbike model in the market, launched gearless scooters in an effort to grow this segment.

The gearless scooters segment (75-125 cc) comprises four major players: Honda with the Activa and the Dio; Kinetic with the Zoom and the Nova; Bajaj with the Sunny and the Saffire; and TVS with the Scooty.

The Honda Activa’s fast growth has encouraged other players to come out with new offerings to increase the market share. One example is Kinetic Engineering, with sister company Kinetic Motor, who are the pioneers in the gearless scooters segment and the largest manufacturer of gearless scooters in India starting from humble beginnings with the Luna moped in 1970.

Kinetic energy:
In the past one year the Kinetic group has launched a number of automatic scooter models in the domestic market, which has helped it to get customers who might have otherwise opted for motorcycles. The company is focusing on designing scooter models specifically suited for Indian conditions.

For instance, its 115-cc, four-stroke Kinetic Nova is designed for Indian conditions in its styling and utility. Its success has encouraged the company launch new variants with special features. The company has also come out with a two-year warranty for its Nova, launched last year, as an added attraction to foster customer retention.

In January 2003 the Kinetic group launched the premium Nova DLX priced at Rs 35,576 ex-showroom price Delhi, and announced that it would launch another gearless scooter by the end of the year.

Also recently, the Nova DLX launched the Mileage Expert, an electronic device, which keeps the rider informed of fuel efficiency during the ride and the company claims it improves efficiency by 10 per cent.
Southern spirit:
The South-based TVS Motor is another major player in the gearless scooters market. It is also aspiring to become a leadership position in the gearless scooters segment.

TVS is planning a new Scooty with a 100-plus cc engine and as part of the flexible and low-cost product development strategy, the new Scooty is expected to share the engine with the TVS Victor, which comes with a 110cc four-stroke engine. Company sources say the Victor engine can be easily fitted into the new Scooty with minor modifications.

Currently, the Scooty is available in the sub-75cc scooterette segment where it competes against Bajaj Auto’s Spirit and Sunny. While the lower-priced variant comes with a 60cc engine, the newly launched Scooty Pep has 75cc four-stroke engine.

TVS is also a major player in the mopeds segment with its TVS Champ and hopes to replicate its success with gearless scooters as well. The new Scooty launch is part of TVS’ larger plan to beef up its product portfolio.

In all, TVS plans to roll out six new models of scooters and motorcycles next fiscal with a total investment of Rs 200 crore in 2003-04. The company has set aside a total investment of Rs 600 crore during the next three years to expand its product range in the domestic market.

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.

Two Wheeler segment as a whole during the year 2004-05 grew by over 15%. Backed by 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.

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<th>Company</th>
<th>Percentage</th>
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<tr>
<td>Hero Honda</td>
<td>47%</td>
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<tr>
<td>Bajaj Auto LTD</td>
<td>30%</td>
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<tr>
<td>TVS Motors</td>
<td>17%</td>
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**Future Focus**

In the future, TVS Motor Company will be one among the top two 2-wheeler companies in India and one among the top five 2-wheeler companies in Asia.

We will have profitable operations overseas, especially in Asian markets, capitalizing on our expertise in the areas of manufacturing, technology and marketing. The Company will hone and sustain its cutting edge of technology by constant benchmarking against international leaders. TQM will be a way of life and guide all our endeavors.

Performance vis-à-vis competitors:

With rise in per capita income, lowering of interest rates, changes in consumer preference towards trendier two-wheelers, there was a conscious shift in the composition of two-wheeler industry led by increase in the demand of motorcycle as against scooters and moped. In FY04, out of the total two-wheeler industry of 5.6 m units, the share of motorcycles was 77%, as against 42% in FY99. During the period FY97 to FY04, while two-wheeler industry grew CAGR of 10%, the demand for motorcycle grew at 27% CAGR. However, TVS managed to achieve a CAGR of 11%. Thus while competitors
were cashing on this boom, TVS' market share was declining due to lack of a 4 stroke model in its stable. This fall has been somewhat restricted with the introduction of ‘Victor’ in 2003.
TWO - WHEELER INDUSTRY IN INDIA
According to a study conducted by global consulting firm Frost and Sullivan, the two-wheeler industry will be the fastest-growing segment of the Indian automobile industry.

The study said that of all personal transportation vehicles, the motorcycle segment will grow the fastest, followed by passenger cars.

Automotive sales in the country will get a boost from cuts in the excise duty, new model launches, higher disposable incomes and a changing consumer mindset. The Indian automotive market is now a buyers market and the general economic slowdown makes it imperative for industry participants to stay ahead of demand trends, said the firm.

### Market Share 2004-05

- Two Wheelers: 78.63%
- Passenger Vehicles: 13.44%
- Commercial Vehicles: 4.03%
- Three Wheelers: 3.90%

In terms of volume, 4,613,436 units of two-wheelers were sold in the country in
9MFY2005 with 256,765 units exported. The total two-wheeler sales of the Indian industry accounted for around 77.5% of the total vehicles sold in the period mentioned.

**Segmental Growth of the Indian Two Wheeler Industry**

After facing its worst recession during the early 1990s, the industry bounced back with a 25% increase in volume sales in FY1995. However, the momentum could not be sustained and sales growth dipped to 20% in FY1996 and further down to 12% in FY1997. The economic slowdown in FY1998 took a heavy toll of two-wheeler sales, with the year-on-year sales (volume) growth rate declining to 3% that year. However, sales picked up thereafter mainly on the strength of an increase in the disposable income of middle-income salaried people (following the implementation of the Fifth Pay Commission's recommendations), higher access to relatively inexpensive financing, and increasing availability of fuel efficient two-wheeler models. Nevertheless, this phenomenon proved short-lived and the two-wheeler sales declined marginally in FY2001. This was followed by a revival in sales growth for the industry in FY2002. Although, the overall two-wheeler sales increased in FY2002, the scooter and moped segments faced de-growth. FY2003 also witnessed a healthy growth in overall two-wheeler sales led by higher growth in motorcycles even as the sales of scooters and
mopeds continued to decline. Healthy growth in two-wheeler sales during FY2004 was led by growth in motorcycles even as the scooters segment posted healthy growth while the mopeds continued to decline. Figure 1 presents the variations across various product sub-segments of the two-wheeler industry between FY1995 and FY2004.

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<th>Demand</th>
<th>Drivers</th>
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The demand for two-wheelers has been influenced by a number of factors over the past five years. The key demand drivers for the growth of the two-wheeler industry are as follows:

- Inadequate public transportation system, especially in the semi-urban and rural areas;
- Increased availability of cheap consumer financing in the past 3-4 years;
- Increasing availability of fuel-efficient and low-maintenance models;
- Increasing urbanization, which creates a need for personal transportation;
- Changes in the demographic profile;
- Difference between two-wheeler and passenger car prices, which makes two-wheelers the entry-level vehicle;
- Steady increase in per capita income over the past five years; and
• Increasing number of models with different features to satisfy diverse consumer needs.

• While the demand drivers listed here operate at the broad level, segmental demand is influenced by segment-specific factors.

### MARKET CHARACTERISTICS

#### Demand

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<th>Segmental Classification and Characteristics</th>
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<td>The three main product segments in the two-wheeler category are scooters, motorcycles and mopeds. However, in response to evolving demographics and various other factors, other sub segments emerged, viz. scooterettes, gearless scooters, and 4-stroke scooters. While the first two emerged as a response to demographic changes, the introduction of 4-stroke scooters has followed the imposition of stringent pollution control norms in the early 2000. Besides, these prominent sub-segments, product groups within these sub-segments have gained importance in the recent years. Examples include 125cc motorcycles, 100-125 cc gearless scooters, etc. The characteristics of each of the three broad segments are discussed.</td>
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#### Two-Wheelers: Comparative Characteristics

<table>
<thead>
<tr>
<th>Scooter</th>
<th>Motorcycle</th>
<th>Moped</th>
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Babasabpatilfreepptmba.com
The Indian two-wheeler industry has undergone a significant change over the past 10 years with the preference changing from scooters and mopeds to motorcycles. The scooters segment was the largest till FY1998, accounting for around 42% of the two-wheeler sales (motorcycles and mopeds accounted for 37% and 21% of the market respectively, that year). However, the motorcycles segment that had witnessed high growth (since FY1994) became larger than the scooter segment in terms of market share for the first time in FY1999. Between FY1996 and 9MFY2005, the motorcycles segment more than doubled its share of the two-wheeler industry to 79% even as the market shares of scooters and mopeds stood lower at 16% and 5%, respectively.
While scooter sales declined sharply by 28% in FY2001, motorcycle sales reported a healthy growth of 20%, indicating a clear shift in consumer preference. This shift, which continues, has been prompted by two major factors: change in the country's demographic profile, and technological advancements.

Over the past 10-15 years the demographic profile of the typical two-wheeler customer has changed. The customer is likely to be salaried and in the first job. With a younger audience, the attributes that are sought of a two-wheeler have also changed. Following the opening up of the economy and the increasing exposure levels of this new target audience, power and styling are now as important as comfort and utility.

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

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

Supply Manufacturers

As the following graph indicates, the Indian two-wheeler industry is highly concentrated, with three players-Hero Honda Motors Ltd (HHML), Bajaj Auto Ltd (Bajaj Auto) and TVS Motor Company Ltd (TVS) - accounting for over 80% of the industry sales as in 9MFY2005. The other key players in the two-wheeler industry are Kinetic Motor Company Ltd (KMCL), Kinetic Engineering Ltd (KEL), LML Ltd (LML), Yamaha
“Customer Satisfaction Level for Two Wheeler Vehicle”

Motors India Ltd (Yamaha), Majestic Auto Ltd (Majestic Auto), Royal Enfield Ltd (REL) and Honda Motorcycle & Scooter India (P) Ltd (HMSI).

Although the three players have dominated the market for a relative long period of time, their individual market shares have undergone a major change. Bajaj Auto was the undisputed market leader till FY2000, accounting for 32% of the two-wheeler industry volumes in the country that year. Bajaj Auto dominance arose from its complete hold over the scooter market. However, as the demand started shifting towards motorcycles, the company witnessed a gradual erosion of its market share. HHML, which had concentrated on the motorcycle segment, was the main beneficiary, and almost doubled its market share from 20% in FY2000 to 40% in 9MFY2005 to emerge as the market leader. TVS, on the other hand, witnessed an overall decline in market share from 22% in FY2000 to 18% in 9MFY2005. The share of TVS in industry sales fluctuated on a year on year basis till FY2003 as it changed its product mix but has declined since then.

Impact Analysis - Two wheelers

Robust demand to continue
After an 11.4 per cent growth in 2003-04, two-wheeler sales surged by over 17 per cent year-on-year (Y-o-Y) for the first 10 months of 2004-05. Sales growth, led by the sales of motorcycles, escalated consistently during the April to January period due to increasing household incomes, easy availability of finance, and the success of certain new models launched during the period.

Two-wheeler demand is expected to grow at a healthy rate of 11-12 per cent from 2004-05 to 2005-06. Rising household incomes, frequent new model launches and the increasing penetration of finance and distribution will act as key growth drivers.

The motorcycle segment witnessed stupendous growth in 2004-05 (20.3 per cent Y-o-Y) after a moderate performance (growth of 13.7 per cent Y-o-Y) in 2003-04. The buoyant growth in this segment will be maintained on account of the entry of global players like Honda Motors and Suzuki (entry expected in 2005) and the domestic players' growing focus on motorcycles. The segment is expected to grow by 12-13 per cent in 2005-06.

Led by the ungeared segment, scooter sales are likely to grow by 8 per cent, while moped sales are expected to stagnate or decline marginally in 2005-06.

Budget Impact

*Neutral impact on the two-wheeler segment*

A. The reduction in the import duty on used two-wheelers will not affect the industry...

B. The hike in the excise duty on steel will not affect the industry, as cenvat credit can be availed for the same.

C. The extension up to March 2007 of 150 per cent deduction on R&D expenditure will marginally benefit domestic two-wheeler players, such as TVS Motors, Bajaj Auto and Kinetic.
D. The reduction in personal tax rates will increase household disposable income, which is a positive for two-wheeler demand.

Prices and Duties

<table>
<thead>
<tr>
<th></th>
<th>Customs</th>
<th>Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two wheelers</td>
<td>61.2</td>
<td>61.2</td>
</tr>
<tr>
<td>Steel items</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Engines and engine parts</td>
<td>20.4</td>
<td>15.3</td>
</tr>
<tr>
<td>Other components</td>
<td>20.4</td>
<td>15.3</td>
</tr>
</tbody>
</table>

Source: CRIS INFAC

**Major Players**
### “Customer Satisfaction Level for Two Wheeler Vehicle”

<table>
<thead>
<tr>
<th>Company name</th>
<th>Impact</th>
<th>Impact factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bajaj Auto Ltd.</td>
<td>neutral</td>
<td>A, B, C, D</td>
</tr>
<tr>
<td>Hero Honda Motors Ltd.</td>
<td>neutral</td>
<td>A, B, C, D</td>
</tr>
<tr>
<td>TVS Motor Company Ltd.</td>
<td>neutral</td>
<td>A, B, C, D</td>
</tr>
</tbody>
</table>
INTRODUCTION TO CUSTOMER SATISFACTION
THEORETICAL ASPECTS:

ABOUT CUSTOMER SATISFACTION:

Customer satisfaction occurs when the experience obtained from transaction match expectation. Customer may forget experience that match expectation although, customers will generally notice and also remember those experience that deviated from expectation.

This stage is particularly known as dissatisfaction results in to a feeling of dissonance in case where an experience obtained from product/service falls short of expectations.

In opposite situation i.e. state of satisfaction it may result in to repurchase of product/service as case may be.

One has to accept the fact that people i.e. employee in an organization play a crucial role in determining, and delivering of the level of service quality and ultimately consumers satisfaction. It has been observed that even manufacturing organization have gradually realized the fact that along with tangible offering, intangible customer service the only possible distinct way to cerate a point of differentiation and positioning in to the competitors. It is needless to state companies need to manage customer contact effectively where the desired outcome is a satisfied customer.
Customer’s satisfaction data customer data provides early warning sing of problems before they show up in revenue and down in profit.
Overall Analysis of the Sample

1. Do you own a two-wheeler?
This graph shows that, among the sample I collected, 52% of the sample were own the Two-wheeler and 48% don’t.

2. Are you satisfied with the performance of your two-wheeler?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely satisfied</td>
<td>32</td>
</tr>
<tr>
<td>Satisfied</td>
<td>50</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>8</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>3</td>
</tr>
<tr>
<td>completely Dissatisfied</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Completely satisfied</th>
<th>Satisfied</th>
<th>Neither Satisfied nor dissatisfied</th>
<th>Dissatisfied</th>
<th>completely Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>50</td>
<td>8</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>
The above graph shows that the 32% of the sample were completely satisfied, 50% were satisfied, 8% were neutral, 3% dissatisfied and 7% were completely dissatisfied with their present two-wheeler.

3. Which two-wheeler do you prefer?

<table>
<thead>
<tr>
<th>Geared</th>
<th>Un-Geared</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>55</td>
</tr>
</tbody>
</table>
From the above graph it could be stated that, 45% of the sample were preferred for Geared Two-wheeler and 55% for Un-Geared.

4. How much capacity do you prefer in your two-wheeler, also specify the color?

<table>
<thead>
<tr>
<th>Preferences</th>
<th>100 cc</th>
<th>150 cc</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60</td>
<td>35</td>
<td>5</td>
</tr>
</tbody>
</table>

The above graph shows that the 60% of the sample were preferred the two-wheeler with 100 cc, 35% with 150 cc, and 5% with more than 150 cc.
The above graph shows that, 6% of the sample preferred two-wheeler with green color, 33 with red, 35% with black, 20% with blue, and 6% with other colors like, silver & so on,

<table>
<thead>
<tr>
<th>Colours</th>
<th>Green</th>
<th>Red</th>
<th>Black</th>
<th>Blue</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>33</td>
<td>35</td>
<td>20</td>
<td>6</td>
</tr>
</tbody>
</table>
5. What kind of financial support would you prefer?

![Preferred Financial Support Graph]

From the above graph it could be stated that 19% of the sample preferred the financial support with Low initial payment, 12% with Low documentation, 20% with Low rate of interest, 19% with Low EMI while 30% of the sample were preferred financial support with Zero interest.
6. What is the preferable budget range for a two-wheeler?

The graph shows that, 45% of the sample preferred the budget range between 20-30000, 20% with 30-40000, 20% with 40-50000, 10% with above 50000, and 5% with No budget range.
7. What factor do you consider most important in choosing your two-wheeler?

The above graph shows that, 35% of the sample ranked 1st Design/Look/Style, 10% to Price, 26% Power/Pick-up, 15% to low maintenance and 14% with Mileage.
1. Which brand comes to your mind when you think of a two-wheeler?

<table>
<thead>
<tr>
<th>Brands</th>
<th>Preferences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hero Honda</td>
<td>26</td>
</tr>
<tr>
<td>TVS</td>
<td>21</td>
</tr>
<tr>
<td>BAJAJ</td>
<td>24</td>
</tr>
<tr>
<td>YAMAHA</td>
<td>19</td>
</tr>
<tr>
<td>OTHERS</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hero Honda</th>
<th>TVS</th>
<th>BAJAJ</th>
<th>YAMAHA</th>
<th>OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>21</td>
<td>24</td>
<td>19</td>
<td>10</td>
</tr>
</tbody>
</table>
9. How did you come to know about this brand?

<table>
<thead>
<tr>
<th>Source</th>
<th>Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends</td>
<td>21</td>
</tr>
<tr>
<td>Relative</td>
<td>19</td>
</tr>
<tr>
<td>Newspaper</td>
<td>20</td>
</tr>
<tr>
<td>Television</td>
<td>22</td>
</tr>
<tr>
<td>Others</td>
<td>18</td>
</tr>
</tbody>
</table>
Television is best media for brand awareness 22% of people were came to know about TVS through television, 21% friends, 20% newspaper, 19% relatives, 18% other media.

11 How do you rate the following?

<table>
<thead>
<tr>
<th>Features</th>
<th>Preferences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>32</td>
</tr>
<tr>
<td>Technology</td>
<td>25</td>
</tr>
<tr>
<td>Look</td>
<td>29</td>
</tr>
<tr>
<td>Advertisement</td>
<td>14</td>
</tr>
</tbody>
</table>
13. Which celebrities do you prefer in an advertisement to promote a two-wheeler?
Celebrity advertisements 47% of the people were suggested to go with sportsperson, 45% filmstars, and 8% with others.

16. Are you aware of Manickbag TVS, authorized dealer for TVS Motor Co. Ltd?
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>66</td>
<td>34</td>
</tr>
</tbody>
</table>

From the above graph it is clear that 66% of the samples are aware of Manickbag TVS Showroom, and 34% are unaware.

**SUGGESTIONS**
For Manickbag TVS:

One man’s loss is the other’s gain, hence competitor’s actions to win dissatisfied customers should be studied and countered strategically.

- The relationship with customers should be enhanced by programs like free checkpoints, regular customer feedback, comprehensive customer support, etc.
- The service support staff should be competitive enough to understand the exact requirements of the customers and to solve them skillfully.
- The mechanics should be trained about the two wheeler as they are directly linked to the customers and influence their buying.
- Manickbag TVS can consider of setting up a dealership in and around Hindwadi/College Road/ JNMC Road for the convenience of the customers as well as to increase their reach to the customers.
- Advertisement should be at the time of peak season i.e., during festivals and during the month of July (college re-opening).

For TVS Motors:
• Around 18% of the customers are dissatisfied; this can increase if not looked into seriously thereby hampering the sales in the long run. Reasons:

  ❖ During the research it was found that the Scooty ES which TVS has introduced in the market had some problem with regard to ignition.

  ❖ Present competitors of TVS have a choke mechanism which enables its users to ride extra mile in case of empty or low fuel to reach nearest gas station.

  ❖ In the segment where TVS operates the bikes designed by its competitors are better designed & have killing looks.

  ❖ Measures to study the reason for dissatisfaction need to be taken and should be addressed immediately.

• The spare parts of TVS Victor should be made available in all the service station.
1. Do you own a two-wheeler?

   a. Yes  
   b. No

MANICKBAG AUTOMOBILES PVT. LTD.

Authorized dealers for TVS motor vehicles.

Phone no : (0831) 2489025

Dear sir/madam

______________________________
“Customer Satisfaction Level for Two Wheeler Vehicle”

If yes, specify the brand __________ & go to Q.2 else go to Q.3

2. Are you satisfied with the performance of your two-wheeler?
   a. Completely satisfied
   b. Satisfied
   c. Neither satisfied nor dissatisfied
   d. Dissatisfied
   e. Completely dissatisfied

3. Which two-wheeler do you prefer?
   a. Geared
   b. Ungereed

4. How much capacity do you prefer in your two-wheeler, also specify the color?

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 100 cc</td>
<td>a. Green</td>
</tr>
<tr>
<td>b. 150 cc</td>
<td>b. Red</td>
</tr>
<tr>
<td>c. If other, specify</td>
<td>c. Black</td>
</tr>
<tr>
<td>d. Others</td>
<td></td>
</tr>
</tbody>
</table>

5. What kind of financial support would you prefer?
“Customer Satisfaction Level for Two Wheeler Vehicle”

a. Low initial payment  b. Low documentation

c. Low rate of interest  d. Low EMI

e. Zero interest

6. What is the preferable budget range for a two-wheeler?

a. 20000-30000  b. 30000-40000  c. 40000-50000

d. Above 50000  e. no budget range

7. What factor do you consider most important in choosing your two-wheeler?

(Note: Ranks between 1-5, rank 1 being the most important & rank 5 being the least important)


d. Low maintenance  e. Mileage

8. Which brand comes to your mind when you think of a two-wheeler?

a. Hero Honda  b. TVS  c. Bajaj

d. Yamaha  e. if others, specify
9. How did you come to know about this brand?
   a. Friends  
   b. Relatives  
   c. Newspaper  
   d. Television  
   e. If others, specify

10. Advertisements & sales promotions give me a lot of information to buy a two-wheeler.
   a. Strongly agree  
   b. Agree  
   c. Neither agrees nor disagree  
   d. Disagree  
   e. Strongly disagree

11. How do you rate the following?
   (Note: Ranks between 1-4, rank 1 being the most important & rank 4 being the least important)
   a. Cost effective  
   b. Technology  
   c. Advertisement  
   d. Aesthetics/looks

12. When do you recommend for an advertisement or sales promotion activities?

13. Which celebrities do you prefer in an advertisement to promote a two-wheeler?
“Customer Satisfaction Level for Two Wheeler Vehicle”

a. Film   b. Sports   c. Others

14. Rate the following sales promotion activities.

(Note: ranks on a parameter of 1-6, rank 1 being the most important & rank 5 being the least important)

a. Scratch & win   b. Road shows

  c. Low down payment   d. Bank loan

  e. Complementary gifts   f. Exchange facility

15. Do you feel sales promotion & advertisement campaigns are necessary in making buying decisions?

a. Yes   b. No

If yes, then how? If no, then why not?

16. Are you aware of Manickbag TVS, authorized dealer for TVS Motor Co. Ltd?

A. Yes   b. No

If yes, what are your views regarding sales & services of Manickbag TVS?
17. Your age & gender:
   a. 18-25yrs  
   b. 25-35 yrs  
   c. 35-45yrs  
   d. above 45 yrs

   Male   
   Female 

18. Name

19. Occupation

20. Address

21. Office/Institute

22. Ph: Mobile:

Thank you…

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Marketing Management by Philip Kotler

www.tvsmotors.com

www.tvsvictor.com