

Chapter IX

Limitations, extent and scope for further study

The study was well planned and the research method too was well thought of. The nature ever growing and expanding and the framework multi faceted and wide—of the Study demanded a well planned research of the subject and carefully thought methodology. As with any social science research, the Study had some limitations which were beyond the control of the researcher. The researcher believes that these limitations must need mention. The limitations of the study are broadly classified on the basis of the factors given below:

- i. Geographical situation
- ii. Time frame constraints
- iii. Automobile industry limitations
- iv. Parameters of research methodology
- v. Statistical limitations.

9.1 Geographical limitations

The researcher had chosen wide geographical expanse for the Study which included two major districts of Maharashtra state, covering both urban, semi urban and rural population of 7,43,23,1000 and passenger vehicles population of 17,13,329. With the limited resources available with the researcher, the geographical area was limited to Pune region. The Study could have been conducted on a larger geographical area with availability of sufficient resources.

9.2 Time constraint

The Study had an innate constraint of time frame during which the study was conducted. It may not be exaggerating to say that in the automobile industry, data, references, predications are subjected to many things that were happening during the period of time. Therefore, the Study had to be completed in a given time frame. As one of the representatives of the manufacturers had rightly pointed out, in the automobile industry, the data more than 5 years old may not be a correct indicator of the things to come in the near future.

9.3 Limitation of 'the automobile industry' involved in the Study

With the liberalisation of the economy vis-à-vis the automobile industry about a decade ago, the automobile industry is just beginning to see the light. The industry is witnessing turbulence in its activity. Many multinational automobile manufacturers have entered and many more are eying the Indian market. The automobile industry is driven by dynamics of other factors. The state of economy, the variation in the customer's buying preferences and the state of public transport system are some of the important factors on which the automobile industry rests. With slight change in any of these factors the automobile industry is bound to be affected.

The automobile industry is a live phenomenon and is very dynamic in its activity. With passing of time the references and the parameters of any study may not be relevant. The researcher had made every effort to account for the 'happenings' such as change in technology, Government policies and the economy in the automobile industry but it was beyond the scope of the Study to cover all these happenings.

9.4 Limitations of research methodology

The limitations regarding the research methodology are presented in this section.

9.4.1 Data collection constraints

The researcher intended to collect the data for all the manufacturers who had their distribution network in Pune region. In spite of the persistent efforts there were two manufacturers who did not respond to the questionnaire and these two manufacturers could not be included in the Study.

9.4.2 Questionnaire for the manufacturers

In most of the cases respondents to the manufacturers' questionnaire were the area sales managers who were in charge of the territory allotted to them. They knew the dealers' activity thoroughly and were acquainted with the practices of the dealers. They implemented the management's policies with respect to the distribution channels. They also evaluated the dealers. The area managers participated in the decision making process for the company. Having said this the researcher was aware of the possibility that in an unlikely event there may be difference of opinion expressed by the respondents and the management.

9.4.3 Questionnaire for the dealers

Every effort was made to record the responses of the owners of the dealership, but, in some of the cases, the respondents were the person in charge of the showroom. There may be difference in the opinion/ attitude of the owner and the person in charge of the showroom.

9.5 Data analysis constraints

The Study covered the entire population of the manufactures and the dealers in Pune region. The population size itself was not large enough so as to satisfy the underlying conditions for certain statistical tests. To satisfy the required conditions, some permissible transformations to the data were made and the non-parametric tests (distribution free) were also used wherever possible.

9.6 Limitations of the statistical models developed

The research undertaken pertains to the study of the manufacturers and their dealers. It was beyond the preview of the study to take into consideration the 'Buyer behaviour' and the satisfaction of the customers. These factors may affect the parameters used for predicting the sales. These factors may also affect the opinion of the dealers. The difference in the predicted sale using the models and the actual sales may be attributed to these factors.

9.7 Extent of the Study

The researcher believes that the Study may interest wide section of community. The real enthusiast of automobiles may find it interesting to know the history of automobiles and the phases through which the Indian automobile industry has passed through. It may also be of interest for them to learn how the passenger vehicles are sold in Pune region.

The policies and the strategies of the passenger vehicles manufacturers are the same for the entire country. The findings of the Study will help the manufacturers in formulating their policies and strategies in the distribution channels for the entire country, with some changes taken into account for the regional variations such as geographical, socio-economic factors and consumer buying patterns. Further, the study underlines one of the most significant aspects of the

automobile industry viz the attitudes, opinions and the feelings of the dealers. The findings of the study will help the manufacturers, in devising the policies concerning the dealers for harmonious relations with the dealers. The findings of the Study can be put to use in this respect.

In the ever widening automobile industry, the researcher hopes, the manufacturers may gain knowledge from the findings of the Study. The number of dealers of each manufacturer in Pune region and in particular Pune city found out and presented in section 6.2 may be used as a guideline while adding a new dealer in Pune region.

The associations between the location of the dealers' premises and the attitude/opinion and the functions, found out in table 6.9 may be taken into consideration while deciding on the location of the dealer's site.

The regression models developed and presented in section 8.1 and 8.2 may be of use to predict the sales. By monitoring the dealers' participation in the training programmes and their satisfaction may be help to predict the sales of a dealer.

The dealers too may benefit by the findings. They may have an idea of what other manufacturers are doing with their channels of distribution. They too can predict their sales if they know their level of participation in the training programmes and their level of satisfaction. A prospective dealer who intends to take up an automobile dealership may find the findings of the Study useful in his dealing as a automobile dealer.

9.8 Scope for further research

Having taken into account the limitations faced by the researcher during the entire process of the Study; it is time the researcher thinks to view the areas for further research, in fact, the scope for further research.

- i. It has been noted that Pune is the test market for automobiles among the Metros of the country. Similar study can be carried out in the other Metros, and mini Metros of the country.
- ii. The statistical models developed can further be refined to predict the sales using some more variables which were not included and dealt with in the present Study.
- iii. Monitoring the dealers' satisfaction is gaining importance. More and more manufacturers seem to be interested in this area of distribution channels. Study may be carried to find the ways and means to monitor the dealers' satisfaction.
- iv. The alternative channels of distribution in the passenger vehicles segments may be tested with the willingness of the manufacturers.
- v. The Study was carried out after about two decade of liberation of industrial policies. During this period the Indian automobile industry has undergone noticeable transformations. The Indian manufacturers have accepted the changes and have prepared themselves for the changes in the industry. Similar study may be carried out when more and more multinationals enter the Indian market. To cite an example, in the initial phase of liberalisation, Suzuki Motor Corporation of Japan had tied up Indian companies both in 2-wheeler and 4-wheeler segment. With the change in the Government policies, Suzuki Motor Corporation plans to enter the Indian market independently in these segments. It may be of interest to study the policies, strategies adopted by such automobile manufacturers in their channels of distributions, and their effects on the Indian automobile industry. Some of the world renowned automobile brands like 'BMW', 'Porsche' and 'Audi', catering to the niche market and some not so known Chinese and the Korean automobile brands too are entering the Indian automobile market; a study may be carried out to find out the distribution channels that may be adopted by these manufacturers.

In conclusion it may be said the out come of the Study has added something material to the existing body of knowledge related to the distribution channel design in automobile industry in general and the said distribution channels in Pune region in particular. The large part of the society associated with the automobile industry will be benefited from the findings of the Study.