CHAPTER -1

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1. Consumer Behavior:
1.1 Defining the Consumer Behaviour-

The study of consumer behaviour assumes that the consumers are players in the marketplace. The role theory perspective assumes that consumers play various roles in the marketplace. In the decision process, consumers play role of providing information, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, In a child’s purchase process, a mother plays the role of an influencer whereas she plays the role of a disposer for the products consumed by the family. (Market Segmentation by Smriti chand).

Some selected definitions of consumer behaviour are as follows:
1. As per Engel, Blackwell, and Mansard, ‘consumer behavior is the actions and decision processes of people who purchase goods and services for personal consumption’- Marketing and Human Resource Management: T.Y.B Com by Matthew, Shitole, Nair and Sitalaxmi.
2. According to Louden and Bitta, ‘consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services’- Consumer Behaviour by C L Tyagi and Arun Kumar

1.2 Influenced by various factors:

The various Factors that influence the consumer behaviour are as follows:
a. Marketing factors such as product design, price, promotion, packaging, positioning and distribution.
Consumers behaviour in two wheeler industry is majorly influenced by product features which is highlighted by different manufacturer through advertisement and other promotional tools. Pricing and Positioning of different brands plays an important role in influencing consumers behaviour. For example, splendor model of Hero motors is positioned as a family bike whereas Bajaj Pulsar is positioned as a sports bike.

b. Personal factors such as age, gender, education and income level.

Male category is more influenced by Motorcycles whereas females opt for Scooters. Youth in age bracket of 18-25 is more influenced by bikes in sports segment. In terms of income level of consumers, bikes in entry segment are in more demand where income level is low and executive and sports segment where income level is high.

c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.

Psychological factor is an important factor influencing consumer behaviour in two wheeler industry. Hero bikes are perceived of superior quality in Rajasthan thereby creating positive attitude in consumers mind, resulting in high volumes and market share. At certain times consumers enter in Bajaj Showrooms and ask for hero bikes.

d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.

Consumer behaviour gets influenced by situational factors. Time when scooter industry is increasing in total two wheeler industry consumer has shifted its decision from buying motorcycle to scooter. This is the classic example of situational factor.

e. Social factors such as social status, reference groups and family.

In two wheeler industry social factors like reference groups and family have a strong influence on consumers behaviour. During various survey and
research it has clearly come out that consumers buying decision has strongly affected family decision i.e consumers have behaved the way his family has suggested. Similarly reference groups have an impact on buying decision. For example Bajaj XCD model has failed in Rajasthan market because of product issue. Repetitive product complaints have created a negative image in market resulting in negative image among reference groups.

f. Cultural factors, such as religion, social class-caste and sub-castes.
   Cultural factors also have a great impact on two wheeler consumers. It can be seen that Muslims prefer purchasing two wheeler in white colour thereby vehicles gets sold more of white colour. Scooters are sold more in Punjab market and shift in industry from scooter to bike is also very slow. In Hayana state, mev community blindly go for hero two wheeler inspite of various communities.

2. Undergoes a constant change
   Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colourful and fancy footwear, but as they grow up as teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change in buying behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

3. Varies from consumer to consumer
   All consumers do not behave in the same manner. Different consumers behave differently. The differences in consumer behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture. For example, some consumers are technoholics. They go on a shopping and spend beyond their means.
They borrow money from friends, relatives, banks, and at times even adopt unethical means to spend on shopping of advance technologies. But there are other consumers who, despite having surplus money, do not go even for the regular purchases and avoid use and purchase of advance technologies.

4. Varies from region to region and country to county

The consumer behaviour varies across states, regions and countries. For example, the behaviour of the urban consumers is different from that of the rural consumers. A good number of rural consumers are conservative in their buying behaviours.

The rich rural consumers may think twice to spend on luxuries despite having sufficient funds, whereas the urban consumers may even take bank loans to buy luxury items such as cars and household appliances. The consumer behaviour may also varies across the states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

5. Information on consumer behaviour is important to the marketers:

Marketers need to have a good knowledge of the consumer behaviour. They need to study the various factors that influence the consumer behaviour of their target customers.

The knowledge of consumer behaviour enables them to take appropriate marketing decisions in respect of the following factors:

a. Product design/model
b. Pricing of the product
c. Promotion of the product
d. Packaging
e. Positioning
f. Place of distribution
6. **Leads to purchase decision:**

A positive consumer behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

7. **Varies from product to product:**

Consumer behaviour is different for different products. There are some consumers who may buy more quantity of certain items and very low or no quantity of other items. For example, teenagers may spend heavily on products such as cell phones and branded wears for snob appeal, but may not spend on general and academic reading. A middle-aged person may spend less on clothing, but may invest money in savings, insurance schemes, pension schemes, and so on.

8. **Improves standard of living:**

The buying behaviour of the consumers may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living. But if a person spends less on goods and services, despite having a good income, they deprives themselves of higher standard of living.

9. **Reflects status:**

The consumer behaviour is not only influenced by the status of a consumer, but it also reflects it. The consumers who own luxury cars, watches and other items are considered belonging to a higher status. The luxury items also give a sense of pride to the owners.

1.3 **Applications of consumer behavior:**

- Improving marketing campaign.

For example, we plan to fix snack advertisement in afternoon by knowing that consumers will be more influenced to the advertisement when they are more hungry. By learning that new products are usually initially adopted by a
few consumers and only spread later, and then only gradually, to the rest of the population, we learn that (1) companies that introduce new products must be well financed so that they can sustain until their products become a hit and (2) it is important to take care of initial customers, since they will in turn influence many prospective consumers brand choices.

- *Social marketing* involves getting ideas across to consumers rather than selling something.

- As a final benefit, studying consumer behavior should make us better consumers. Common sense suggests, for example, that if we buy a 64 liquid ounce bottle of laundry detergent, we should pay less per ounce than if we bought two 32 ounce bottles. In practice, however, we often pay a *size premium* by buying the larger quantity. In other words, in this case, knowing this fact will sensitize us to the need to check the unit cost labels to determine if we are *really* getting a bargain.

Customer is the success key of any business in nowadays world. Consumer Satisfaction and customer behavior plays a major role to sale a product. The studies of customer behavior shows how groups, organizations and individuals select, purchase and use of ideas, service, goods or experience to fulfill their desires and needs understanding behavior of customers. Customers make decision considering the option, use and purchase of products and services. They face several issues at the time of taking a decision of buying. Thus it is a method by which customers recognize their requirements, gather data, make buying decision and evaluate other options. These decisions are helpful to both policy makers and marketers. It can be concluded that consumer chose to buy two wheelers which provides good quality, greater efficiency of fuels, reasonable cost, technology and durability.

The major target of a business organization is to create customer who is said to be turned around whom the complete business of an organization revolve. The concept of marketing is consumer oriented and the emphasis is
much on customer rather than on the product. The modern marketing essence lies in developing profit along with creating meaningful value fulfillment for customers whose desires and requirements have to be coordinated with the group of production programmes and products. Therefore for successful marketing an organization must rely on its capability to create a community of fulfilled customers. All the activities of business must be undertaken in ways which are directed towards fulfillment of customer requirements. The decision of customer to buy a specific brand of motorcycle customers outcome to complex interaction of customer variables the initiating point for organization offers the marketing stimuli of decision process in shape of a promotion, strategy, brand, distribution and cost. The essential customer along with other stimuli acquires the stimuli of marketing in the surroundings. It can be concluded that behavior of consumers in terms of consumer preferences, consumer consumption patterns, consumer buying process, shopping behavior and consumer motivation is helpful to formulate the marketing strategy of an organization.

1.4 Marketing Strategy

A strategy is a long-term plan to achieve certain objectives. A marketing strategy is therefore a marketing plan designed to achieve marketing objectives. For example, marketing objective may be to become the market leader by making customers delighted. The strategic plan therefore is the detailed planning involving marketing research, and then developing a marketing mix to make customers happy. Every organisation needs to have clear marketing objectives, and the major way in achieving organisational goals will depend on strategy what they adopt. It is important, therefore, to be clear about the difference between strategy and tactics.

These terms originate from military use (military strategy before and during a military campaign is the general policy overview of how to defeat the enemy). Developing a strategy involves establishing clear aims and objectives
around which the framework for a policy is created. Having established its strategy, an organisation can then work out its day-to-day tools and tactics to meet the objectives.

Marketing can thus be seen as the process of developing and implementing a strategy to plan and coordinate ways of identifying, anticipating and satisfying consumer needs in such a way as to make profits. It is this strategic planning process that lies at the core of marketing. (We learn India blog June 4, 2014-Marketing strategy – The heart of any business Strategy).

In 1985, the Chartered Institute of Marketing adopted the dynamic slogan:

'Marketing means Business'

The major target of marketing is to impact the behavior of consumers in favor of organization engaged in field of marketing. Organizations carry out marketing to know what types of products will need to customers to manufacture and design these products, to enhance buying and utilization of these products by making them accessible easily to customer at competitive costs and by interacting to information of customers about the product to impact their buying in favor of organization’s products. Marketing helps an individual to realize how an organization creates a flashy false reputation of a product, pleading in fine ways to desires and emotions of customers even when the product is not capable of providing the value implied in the reputation created. It can be concluded that to influence consumer behavior marketers must engage and attract customers and force them to purchase the product.

Marketers must have a strong understanding of buyer behavior that will held shed light on what is essential to customer and also recommend essential impacts on decision making of customers. Using this data marketers can create programmes of marketing which they trust will be of concern to customers. So customer becomes the major hub around which the complete
business of an organization revolves. An organization must examine customers buying behavior as reaction of buyer to marketing strategy of an organization has a huge influence on its success.

1.5 Indian automobile industry, especially the two wheeler segment has undergone tremendous change from the earlier times, when two wheelers were more or less about the scooters and bikes were the odd one out. Over the years, consumer behaviour has changed drastically and it has become all the more dynamic, changing on a regular basis. This makes it necessary for the organizations to understand the impact that consumer behaviour has on the marketing plans and strategies. If the same is left out then it can lead to a dangerous situation.

Researches analyzing the impact of consumer behavior on marketing strategy among different manufacturer within a city have been quite limited. As far as Jaipur district is concerned, there has been no research about the subject with special reference to Bajaj Auto. Current research will not only study different aspects of consumer behavior and marketing strategies but will also bring out the impact of the same on marketing strategies of Bajaj, Hero and TVS. The present research will find correlation of consumer behavior and marketing strategies in Bajaj, Hero and TVS and basis results recommendations will be made to Bajaj Auto marketing team in Jaipur for taking suitable actions in Jaipur so that Company enhance its brand image and thereby increasing its market share in Jaipur market.

India's automotive industry is one of the key drivers of the country's economy. With an estimated size of around USD 38 billion, it accounts for 5 percent of India's GDP. In terms of the Auto industry, India is the sixth largest market after China, the US, Germany, Japan and Brazil. Overall the market includes cars, two wheelers, trucks & auto parts and India is expected to become #3 in the automobile market by 2015 as defined by sales volume
growth. At present contribution of automotive industry is 5% to the GDP of country. The Government's Automotive Mission Plan 2016 envisages the industry to grow to approximately USD 145 billion by 2016, thereby contributing 10 percent to the GDP (Wikipedia 2015: Economy of India).

It was previously one of the fastest growing markets globally, but it is currently experiencing flat or negative growth rates. In 2009, India emerged as fourth largest exporter in Asia of passenger cars behind Japan, South Korea, and Thailand, overtaking Thailand to become third in 2010. As of 2010, India was home to 40 million passenger vehicles. More than 3.7 million automotive vehicles were produced in India in 2010 (an increase of 33.9%), making India the second fastest growing automobile market in the world (after China). India’s passenger car and commercial vehicle manufacturing industry recently overtook Brazil to become the sixth world largest with an annual production of more than 3.9 million units in 2011. From 2011 to 2012, the industry grew 16-18%, selling around three million units. According to the Society of Indian Automobile Manufacturers, annual vehicle sales are projected to increase to 4 million by 2015, not 5 million as previously projected.

In 2011, there were 3,695 factories producing automotive parts in all of India. The average firm made US$6 million in annual revenue with profits close to US$400 thousand.

The world standings for the Indian automobile sector, as per the Confederation of Indian Industry in FY 2012, were as follows:

- Second largest two-wheeler market
- Largest three-wheeler market
- Fourth largest tractor market
- Fifth largest commercial vehicle market
- Fifth largest bus and truck segment
- Tenth largest passenger car market
Indian automotive industry consist majorly two segments viz. Automobiles and Auto parts. Automobiles can further be divided into two wheelers, passenger vehicles, commercial vehicles and three wheelers as shown in the Fig.1 below.

![Indian Automotive Industry Structure](image)

- **Two Wheelers**
  - Market Share 75.83% and Annual Production of ~54 Lac units
- **Passenger Vehicles**
  - Market Share 15.41% and Annual Production of ~31 Lac units
- **Commercial Vehicles**
  - Market Share 4.45% and Annual Production of ~9 Lac units
- **Three Wheelers**
  - Market Share 4.31% and Annual Production of ~9 Lac units

**Figure 1.1: Indian Automotive Industry FY12 (Source: SIAM-FY12)**

Indian automobile industry consist of two wheeler, passenger vehicles, Commercial Vehicles and three wheelers having segment share of 75.83%, 15.41%, 4.45% and 4.31% consisting volumes of 154 lacs, 31 lacs, 9 lacs and 9 lacs respectively.

**Automotive Industry performance - 2014-15**

**Production**

The automotive industry including passenger vehicles, commercial vehicles, three wheelers and two wheelers, total production was 23,366,246 vehicles in April-March 2015 in comparison to 21,500,165 in April-March
2014, resulting in a growth of 8.68 percent over the same period previous year (www.ibef.org 2014, India brand equity foundation)

**Domestic Sales**

Two Wheelers sales grew by 8.09 percent in the period April-March 2015 over same period previous year. Within the Two Wheelers segment, Scooters grew up 25.06 percent, Motorcycles grew by 2.50 percent and Mopeds grew by 4.51 percent in April-March 2015 over same period last year.

Three Wheelers sales growth was up by 10.80 percent in the period April-March 2015 over the same period last year. Passenger Carriers growth was up by 12.16 percent and Goods Carriers growth was up by .27 percent in April-March 2015 over last year same period.

The Passenger Vehicle sales was up by 3.90 percent in April-March 2015 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars was up by 4.99% and Utility Vehicles was up by 5.30 percent, while Vans dropped by 10.19 percent in the period April-March 2015 over the period April-March 2014.

The overall Commercial Vehicles segment shown a dip of 2.83 percent in the period April-March 2015 as compared to April-March 2014. Medium & Heavy Commercial Vehicles (M&HCVs) was up by 16.02 percent and Light Commercial Vehicles dipped by 11.57 percent.

**Exports**

India is a strong auto exporter and has strong export growth plan for the near future. In 2014-15, automobile exports has shown growth by 15 percent over the last year. Apart from this, several initiatives by the Government of India and the major automobile players in the Indian market are bound to make India a worldwide leader in the Two Wheeler and Four Wheeler market by 2020.
The Two Wheelers segment which has 81 per cent market share is the leader of the Indian Automobile market because of growing middle class and a young, dynamic population. Also, the growing interest of the companies in exploring the rural markets further helped the growth of the two wheeler sector. Market share of overall Passenger Vehicle segment is 13 per cent.

In the period April-March 2015, overall automobile exports was up by 14.89 percent over the same period last year. Passenger Vehicles grew by 4.42 percent, Commercial Vehicles grew by 11.33 percent, Three Wheelers business grew by 15.44 percent and Two Wheelers business grew by 17.93 percent during the period April-March 2015 over the same period last year.

**Market Size**

The sales of Two Wheelers, Three Wheelers, Passenger Carriers, and Goods Carriers grew by 8.09 per cent, 10.80 per cent, 12.16 per cent and 5.27 per cent respectively in FY 2014-15, over the same period last year.

The sales of Passenger Vehicles was up by 3.9 per cent in FY 2014-15 over the same period last year. In the Passenger Vehicles segment, Passenger Cars showed growth of 4.99% and Utility Vehicles showed a growth of 5.30 % over same period last year.

As per data provided by Society of Indian Automobile manufacturers, the Indian Auto industry manufactured 7.8 million vehicles in April-July 2015 as against 7.7 million in April-July 2014, thereby indicating a growth of 1.8 per cent year-on-year.

Two Wheelers sales increased slightly by 0.52 per cent, with, scooters growing by 9.45% and mopeds growing by 2.53%, while motorcycles sales which is largest segment in Two Wheelers dropped by 3.02 per cent.

Three Wheelers sales dropped by 8.41 percent, while sales of Passenger Carriers dropped by 9.25 % and Goods Carriers dropped by 4.5 % during the period April-July 2015 over last 2014 in same period.
Domestic Sales of Passenger Vehicles increased by 7.46 per cent in April-July 2015 period over last year. In Passenger Vehicles category, cars sales grew 10.7 per cent whereas Utility Vehicles dropped by 0.32 % and Vans declined by 1.43 per. Overall Commercial Vehicles segment was up by 5.63 per cent growth. Medium & Heavy Commercial Vehicles (M&HCVs) reported strong growth of 24.9 per cent while 5.24 percent dropped was seen in Light Commercial Vehicles.

Overall Automobile exports In the period April-July 2015 increased by 8.6 per cent over same period last year. In the period April-July 2015 Passenger Vehicles showed growth of 2.94 percent, Commercial Vehicles showed growth of 24.37 percent, Three Wheelers showed growth of 28.96 percent and Two Wheelers showed growth of 6.33 percent.

Investments

During the last few months Seeing the huge demand several auto manufacturer have started investing heavily in different industry segments. As per information received by Department of Industrial Policy and Promotion (DIPP) the automobile industry have attracted foreign direct investment (FDI) worth US$ 13.48 billion during the period April 2000 to June 2015, In automotive sector in India some of the major investments and developments are-

- Mercedes Benz has decided to manufacture the SUV in India. Its indian assembly capacity has been doubled to per annum 20,000 units.
- Mahindra Two Wheelers Limited (MTWL) acquired 51 per cent shares in France-based Peugeot Motorcycles (PMTC).
- By 2020 In India, General Motors has planned to invest US$1 billion, mainly to increase the capacity at the Talegaon plant (Maharashtra) from 130,000 units per year to 220,000 units by the end of year 2025.
- US-based car maker Chrysler has planned to invest in Maharashtra Rs 3,500 crore to manufacture Jeep Grand Cherokee model.
• Germany-based luxury car maker BMW local unit has declared to procure components from seven India-based auto parts makers.

**Government Initiatives**

The Indian Government have encouraged foreign investment in the automobile sector.

Some of the Key initiatives taken by the Indian Government are:

• The Government plans to promote eco-friendly CNG based vehicle, hybrid vehicle, and electric vehicle in the country and also made mandatory of 5 per cent ethanol blending in petrol.

• In the Union budget of 2015-16, the Indian Government has announced to provide a loan of Rs 850,000 crore to farmers, for promoting the tractors segment.

• The government has formulated a Scheme for manufacturing and Faster Adoption of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020.

• The Automobile Mission Plan for the period 2006–2016 prepared by the government is focused for accelerating and sustaining growth in automobile sector. Regulatory Framework under the Ministry of Road Transport, shipping and Highways, plays a part in providing a boost to this sector.

**The future:**

India’s automobile industry is one of the most competitive in the world. "India do not have 100 per cent of technology or components required to make a car but it is giving 97 per cent", as per Mr Vicent Cobee, Corporate Vice-President, Nissan Motors.

The vision of AMP 2006-2016 aims for “India to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US$ 145 billion, which
accounts for more than 10 per cent of the GDP and providing additional employment to 25 million people by 2016.”

Leading automobile manufacturer Maruti Suzuki expects Indian passenger car market will touch four million units by 2020, which will be more from 1.97 million units in the year 2014-15.

1.7 Indian two-wheeler Industry-

India is the biggest two-wheeler market in the country. Indian Two Wheeler Industry is the largest in the world as far as the volume of production and sales are concerned.

Growth rate of 9.5 percent was registered between 2006 and 2014. The growth in Indian Automobile Industry in 2014 is mainly due to steep upsurge witnessed in the two-wheeler segment. In the year 2014-15, The volume growth recorded stood at 14.8 percent on a year-on-year basis. The ‘Make in India’ campaign of the Indian Government will also attract more foreign investment into Indian Two-Wheeler Industry creating further growth opportunities in future.

Two-Wheeler Manufacturers: Growth Factors

- Low Cost of Two-Wheelers in India.
- High petrol prices.
- Low Excise Duty.
- High Interest Rates on Passenger Cars.

Two-Wheeler Market in India-

Indian Two-Wheeler Market is showing a continuous steady demand and thus resulting in growing production and sales volume. This is mainly due to the launching of new attractive models at affordable prices, design innovations, easy finance and latest technology utilized in manufacturing of vehicles. The sale of two-wheeler products has increased tremendously. The
sales volumes in the two-wheeler sector has increased from 15 percent to 24 percent between the period 2008-09 and 2013-14.

As far as the two wheelers are concerned in the year 2014-15 a great expansion was seen in the sales volume of the scooter segment. The domestic motorcycle sales volume grew by 10 percent, whereas the scooter segment grew by 30.7 percent. In the past 2-3 years, dozen of new scooter brands have been introduced in India. But the motorcycle segment is far behind. This is due to the fact that the recently launched gearless scooters caters to both male and female consumers, while motorbikes are a segment preferred by men only. The growth momentum is also high because the two-wheeler manufacturers in India have understood the markets needs and have been able to deliver as expected. At the end of 2014, the global business involving two-wheeler designing, its manufacturing, engineering and selling was at an average of US$ 3.5 billion per manufacturer.

Continuous growth in Indian Two-Wheeler Industry will depend heavily on consumers personal disposable incomes that rely on India's economic growth in future.

**Two-Wheeler Indian Manufacturers and Models**
Models sold by two-wheeler manufacturers in India:-

- Hero Karizma ZMR
- Hero Xtreme Sports
- Hero Hunk
- Hero Ignitor
- Hero Super Splendor
- Hero Passion Pro
- Hero Maestro
- Hero Pleasure
- Bajaj Pulsar RS 200
Indian two wheeler Industry Performance-

The two wheeler industry in India has doubled to 13.43 million units from 7.2 million units in 2008 as of the year 2012. The below figure shows the domestic two wheeler companies market share in the year 2008-2013:
Presently the two wheeler sector is ready to make investments value much than Rs. 83000 million, In the scooter sector an impressive development of 22.3% was recorded during 2012 compared to the year 2011. During this period the motorcycle sector developed by 0.3%. The motorcycle sector shows flat development in 2013 to 2014. While the automobile industry is viewing a negative development, the motorcycle sector has faced flat development virtually of around 1%.

The below figure shows the yearly two wheeler production in India for fiscal year 2009 to 2014:

![Figure 1.3: Yearly two wheeler production in India for fiscal year 2009 to 2014, Source: Currentweek.com Nov 2014](image_url)
From the above figure it can be found that in India the production of two wheeler for the year 2013 and 2014 is developed by 7 percent to 17 million units against 16 million units in fiscal year 2012 and 2013. The segment of scooter has exhibited a powerful development of 21 percent. The segment of motorcycle has exhibited a moderate development of 5 percent but the segment of moped has exhibited a negative development of 8 percent. The short term request for two wheelers is anticipated to be developed due to moderate recovery in economic development and greater urban incomes. Over the big term the untapped significance of rural market will boost up sales of two wheeler. Growing working and young population from both semi urban and rural areas have contributed for powerful development in past five years in two wheeler sector. However two wheeler sectors has faced certain tough challenges like ever developing costs of fuel, interest rates, weak conditions of economy and greater inflation in past two years. In India two wheeler markets has posted a robust development between fiscal year 2009 to fiscal year 2014 with a CAGR of 15 percent (Currentweek, 2014).

**Indian two wheeler Industry Vs Rajasthan-**

It is dominated clearly by leading four players namely Honda Scooters and Motorcycles, Bajaj Auto, Hero Motor Corp and TVS with around 91 percent of market share. The remaining 9 percent shared by Suzuki, Yamaha, Piaggio, Mahindra, Royal Enfield and others (Currentweek, 2014).

The players which dominate the market today are Hero Moto Corp for motorcycles and Honda for Scooters.
Rajasthan two-wheeler industry recorded sales of 8.23 lacs during the last financial year FY12 out of total 8.23 lacs vehicles sold Motorcycle industry was 7.03 lacs contributing 85% to the total two wheeler industry of Rajasthan. Also Rajasthan two wheeler industry contributes 6% to Indian two-wheeler industry. Industry growth of Rajasthan (20%) has been more than average national growth (14%). As shown below in Fig3 in motorcycle segment

**Figure 1.4: Two Wheeler Industry Segments: FY12 India Vs Rajasthan**
(Source: SIAM-FY12)
HMCL have been more dominant in Rajasthan with 68% Market share. Bajaj is second largest player in Motorcycle segment having 20% Market share followed by TVS and HMSI with 8% and 4% market share respectively.

**Figure 1.5: Motorcycle Industry India Vs Rajasthan – FY 12**
(Source: SIAM-FY12)
Motorcycle Industry: Jaipur Overview-

In Jaipur market below is the market share of different key manufacturer.

![Market Share Chart]

**Figure 1.6: Corporate players of two wheelers in Jaipur city:**
(Source-Bajaj Office 2014)

Hero Motocorp Limited is the major company in the city of Jaipur with 60 percent share market and the challenger Bajaj Auto Limited has 16 percent share market in Jaipur city. Similarly TVS has 14 percent share market and remaining players are having 10 percent share market in Jaipur.

1.7 Profile of the Companies under study-

**Bajaj Auto Limited**

Bajaj Auto was founded in 1926 and is a $2.3 billion company. It is the fourth largest two- and three-wheeler manufacturer in the world. Bajaj Auto has three plants at Wahaj and Chakan in Maharashtra and one plant at Pant Nagar in Uttarakhand (UP).

The company is into manufacturing of motorcycles and three-wheelers. In India, Bajaj Auto has a distribution network of 485 dealers and close to
1,600 authorised service centres (ASC). It has 171 exclusive dealers for the three-wheeler segment. It has total 3750 rural outlets in rural areas (RSO).

The Bajaj brand is a famous brand across several countries in Africa, Middle East, Latin America, South and South East Asia. It has a distribution network in 75 countries with a strong presence in Sri Lanka, Colombia, Bangladesh, Mexico, Central America, Peru and Egypt (Bajaj Article Dec 2011: Business world).

Bajaj has technical collaboration with Kawasaki Heavy Industries of Japan.

The company is the largest exporter of two and three-wheelers in the country with exports contributing 48% of its total sales. The company is well known for their R&D, product development, low-cost manufacturing skills and process engineering. The company has two subsidiaries, namely Bajaj Auto International Holdings and Bajaj Indonesia. The company was formed on April 30, 2007 as a wholly owned subsidiary of erstwhile Bajaj Auto Ltd with the name Bajaj Investment & Holding Ltd. The company received the certificate to start business on May 7, 2007. The holding company operated in segments like automotive, insurance and investment, and others. Considering the growth opportunities in the auto, wind-energy, insurance and finance sectors, Bajaj Auto Ltd de-merged their activities into three different entities which can focus on their core businesses and strengths. The automobile business of Bajaj Auto Ltd along with all assets and liabilities including investments in PT Bajaj Auto Indonesia and few vendor companies transferred to Bajaj Investment & Holding Ltd. Over and above this Rs 15,000 million in cash also transferred to Bajaj Investment & Holding Ltd. Bajaj Holdings and Investment Ltd was renamed as Bajaj Auto Ltd and the appointed date of this de-merger was on March 31, 2007. In April 9, 2007, the company inaugurated their plant at Pantnagar in Uttarakhand. In the first year of production the plant
produced over 275,000 vehicles. Bajaj Auto vehicle assembly plant based at Akurdi was closed down from September 3, 2007 due to higher production cost. In November 2007 Bajaj Auto International Holdings BV, a wholly owned subsidiary company acquired 14.51% equity stake in KTM Power Sports AG of Austria which is Europe's second largest sport motorcycle manufacturer for Rs 345 crore. During the year 2007-08, Bajaj Auto Ltd launched Discover XCD 125 DTS-Si and the Direct Injected auto rickshaw. During the year 2009-10, the company expanded the production capacity of Two & Three Wheelers by 300,000 Nos to 4,260,000 Nos. The company launched Pulsar 135 LS, Pulsar 150 UG, Pulsar 220 F, Pulsar 180 UG and Discover DTS-si in the market. During the year 2010-11 the company expanded the production capacity of Two & Three Wheelers by 780,000 Nos to 5,000,000 Nos. The company launched Avenger 220 DTS-I, Discover 150, KTM Duke and Discover 125 in the market. The company plans to maintain the capacity of two wheelers and three-wheelers at the current level of 5,000,000 units per annum by the year ending 31 March 2012. The four wheel vehicle development work is under progress and commercial launch is scheduled some time at 2012 (www.bajajauto.com)

**Products**

Current product portfolio of Bajaj two wheelers include

- Platina : 100 CC
- Discover 100M: 100 CC
- Discover 125M: 125 CC
- Discover 150 : 150 CC
- Pulsar : 135 CC, 150CC, 200CC, 220CC
- Pulsar 200 NS
- Avenger
- KTM Duke Models : 225 CC
**Hero MotoCorp Limited**

**Hero Moto Corp Ltd.** Which was earlier known as **Hero Honda**, is an Indian motorcycle and scooter manufacturer based in New Delhi. It is the largest two wheeler company. In India, it has a market share of about 46% share in 2-wheeler segment. On 31 March 2013 the market capitalization of Hero motocorp was INR 308 billion (USD 5.66 billion). The 2006 Forbes 200 Most admired companies list has Hero Honda Motors ranked at #108 (Wikipedia 2014-Hero Moto corp).

Hero Honda started in 1984. Initially there was a joint venture between Hero Cycles of India and Honda of Japan. In 2010, when Honda decided to come out of the joint venture, Hero Group purchased the shares which was with Honda earlier. Finally, in August 2011 the company was renamed Hero MotoCorp and a new corporate identity was formed. In June 2012, Hero MotoCorp approved a proposal to merge the Hero Investment Pvt. Ltd. (investment wing) into the Hero motocorp. The decision came after one and half year of its split from Honda.

Munjal brothers used “HERO” as the brand name for their flagship company, Hero Cycles Ltd. A joint venture between the Hero Group and Honda Motor Company was made in 1984 as Hero Honda Motors Limited at Dharuhera (Haryana).

In 1980s, the company introduced motorcycles that were popular in India for their fuel economy and low cost. Since the inception of the company, a popular advertising campaign based on the slogan 'Fill it - Shut it - Forget it' that emphasised the motorcycle's fuel efficiency helped the company grow at a faster speed. In 2001, the company became the largest two-wheeler manufacturing company in India and globally. It continues to maintain the
global industry leadership. For almost 20 years (1984-2010), the technology in the bikes of Hero Motocorp has come from the Japanese counterpart Honda.

- **1956** - Hero Cycles company was started in Ludhiana with the name majestic auto limited
- **1975** - Hero Cycles becomes largest Indian bicycle manufacturer.
- **1983** - shareholders Agreement was signed for Joint Collaboration with Honda Motor Co. Ltd. Japan.
- **1984** - Hero Honda Motors Ltd. Was formed.
- **1985** - Hero Honda CD 100 motorcycle was launched.
- **1989** - Hero Honda sleek motorcycle was launched.
- **1991** - Hero Honda CD 100 SS motorcycle was launched.
- **1994** - Hero Honda Splendor motorcycle was launched.
- **1997** - Hero Honda street motorcycle was launched.
- **1999** - Hero Honda CBZ motorcycle was launched.
- **2001** - Hero Honda Passion and Joy motorcycle was launched.
- **2002** - Hero Honda Dawn and Ambition motorcycle was launched.
- **2003** - Hero Honda CD Dawn, Splendor plus, Passion Plus and Karizma motorcycle was launched.
- **2004** - Hero Honda Ambition 135 motorcycle and Hero Honda CBZ Star motorcycle was launched.
- **2005** - Hero MotoCorp Super Splendor, CD deluxe, Glamour, Achiever and Hero Honda Scooter Pleasure was launched.
- **2007** - New Models of Hero Honda motorcycle Splendor NXG, CD Deluxe, Passion Plus and Hunk was launched.
- **2008** - New Models of Hero Honda motorcycles Pleasure, CBZ Xtreme, Glamour, Glamour Fi and Passion Pro launched.
- **2009** - New Models of Hero Honda motorcycle Karizma: Karizma – ZMR and limited edition of Hunk was launched
- **2010** - New Models of Hero Honda motorcycle Splendor Pro, Hunk and New Motorcycle Super Splendor was launched.
• 2011 - New Models of Hero Honda motorcycles Glamour, Glamour FI, CBZ Xtreme, and Karizma was launched. New licensing arrangement signed between Hero and Honda. In August Hero and Honda parted away, thus forming Hero MotoCorp and Honda moving out of the Hero Honda joint venture.

• 2012 - New Models of Hero Motocorp scooter Maestro and young generation bike Ignitor was launched.

• 2013 - Hero MotoCorp unveiled 15 products including Karizma R, ZMR, Xtreme, Pleasure, Splendor Pro, Splendor iSmart, HF Deluxe ECO, Super Splendor, Passion Pro and Xpro, Glamour and Glamour FI etc. It also introduced three new technologies- Integrated Braking System (IBS) in new Pleasure , Engine Immobilizer in new Xtreme, and i3S (Idle Stop and Start System) in new Splendor iSmart


• 2014 - Hero updated its 100cc engine range on Passion Pro and Splendor Pro Classic in October 2014. Later it will be updated on other Hero's 100cc vehicles.

• 2014 - Hero invested $25 million into Erik Buell Racing American motorcycle manufacturer.

Current product portfolio of Hero two wheelers include

• HF Deluxe : 100 CC
• HF Dawn: 100 CC
• Splendor+: 100 CC
• Passion XPro : 110 CC
• Super Splendor : 125 CC
• Glamour : 150CC
• Achiever : 150 CC
• Karizma ZMR : 223CC
TVS Motor Company is a part of the TVS group, TVS Motor Company is the third largest two-wheeler manufacturer in India and top ten in the world, with annual turnover of more than $1 billion in 2008–2009. It is the flagship company of the $4 billion TVS Group. It is the largest company of the group in terms of size and turnover. A way of doing business sets TVS apart from other manufacturer. The company has four plants based at Hosur, Mysore in Himachal Pradesh, and another in Indonesia. The company’s plant production capacity is of 2.5 million units a year and its strength lies in design and development of new products. The launch of seven products on one day is seen as a first example in automotive history. TVS believes in delivering total customer satisfaction by understanding the customer's need and presenting the quality vehicles at the right time and at the right price.

In 1980’s, TVS has been always in front in bringing a revolution in the way personal commutation was going on. Beginning with launching a simple, easy to handle moped for the middle class in India, TVS Company has always taken the continuous path to innovation. The customer and their changing need is their continuous source of inspiration (NDTV Profits: TVS Moto Co Ltd. Dec 2015).

**Milestones:**

- 1980 - TVS Motor launched India first two seater 50cc moped with the name TVS 50.
- 1984 - Became the first Indian company to introduce 100cc Indo-Japanese motorcycles.
- 1994 - Launched TVS Scooty, India’s first indigenous scooterette — under 100cc model.
- 1996–97 - Introduced first catalytic converter enabled motorcycle-110cc Shogun and first five speed motorcycle- the Shaolin.
- 2000 - TVS Fiero was Launched, India’s first 150cc, 4 stroke motorcycle.
- 2001 - TVS Victor was launched a 4 stroke 110cc motorcycle first fully indigenously designed and manufactured motorcycle.
- 2002 - TVS becomes the first two–wheeler company to win the Deming Award in 2002 in recognition in Total Quality Management -. TVS wins the Technology Award for successful commercialization of indigenous technology from Ministry of Science, Government of India.
- 2004- TVS Centra, was launched with 4 stroke 100cc motorcycle with VT– I engine for best in class mileage. Launched TVS Star, a 100cc motorcycle best suited for the uneven terrain. TVS won TPM Excellence award from Japan Institute of Plant Maintenance (JIPM). TVS won Outstanding design Excellence Award for TVS Scooty Pep.
- 2005–06 - TVS New plant at Indonesia was started. TVS Apache was launched, which set the youths imagination on fire. 2006 Bike of the year went to Apache and further won six prestigious awards.

Scooty Pep was launched with balancing wheels in August 2008 and in June 2008 Apache RTR FI and Scooty Wimbledon Collection was launched. TVS Motor Company launched the revolutionary TVS Flame -125cc in March


**Products**

TVS Motor manufactures a wide range of two-wheelers. Its product range includes:

**MOTORCYCLES** - Apache Series RTR, Phoenix 125, MAX4R, Star city, Star sports.

**SCOOTERS** - Jupiter, Wego, Scooty Streak, Scooty Pep+

**MOPEDS** - TVS XL Super, TVS XL Heavy Duty

1.8 **Title of the study**

Impact of Consumer Behaviour Over Marketing Strategy - A Comparative Study of Two Wheeler Industry in Jaipur (With Special Reference to Bajaj Auto)

1.8.1 **Objectives**

In our study Consumers are users of Hero, Bajaj, TVS & Other Brands. The objective of this study is to find consumers’ behavior on different factors related to their two wheeler experiences and also about their experiences on marketing strategies adopted by Bajaj Auto, Hero and TVS Companies. Study is done in Jaipur market. Basis their feedback, it is aimed to find whether consumer behavior has any influence on buying decisions. Further marketing strategy of Bajaj, Hero and TVS need to be analysed and what correlation exists between consumer behavior and marketing strategy of different manufacturer’s.
Basis above findings, action plan need to be formulated for Bajaj company to be taken in Jaipur market so as to increase its market share and subsequently its profitability.

The study would aim at fulfilling the following research objectives in its endeavour to determine answer the research question –

1. To Study Customer Perception for marketing Strategy of Bajaj company.
2. To compare the marketing strategy of Bajaj with its competitor.
3. To identify the factors affecting buying decision of Consumers for two Wheeler in Jaipur.