

Project Dissertation Report on

CRM Practices in Automobile Industry with

Special Reference to Hero Motocorp

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CERTIFICATE

This is to certify that the Project Report titled “CRM Practices in Automobile Industry with Special Reference to Hero Motocorp” is an original and bonafide work carried out by Mr. Ankit Nagar of MBA 2017-19 batch and was submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

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DECLARATION

I, Ankit Nagar, student of MBA Batch 2017-19 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that project dissertation report on effect of selection process on labour turnover and attrition rate in service industry is submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

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EXECUTIVE SUMMARY

Indian automobile industry is the fastest growing industry. Since the government has increased the Foreign Direct Investment in this sector and declined the licensing it has boomed in India as many a foreign players has entered India since then. This has not only bring the foreign investment into India but also brought into the latest advancements and technologies in the automobile and automotive industry. The Indian economy is at continuous growing and income & spending of people has improved. So there is a good market for the automobile companies as this product has emerged as a necessity for the people of India. NHAI (National Highway Authority of India) and the municipal and state road corporations has also contributed a lot to this. The study is about the Customer Relationship Management and the various practices of the automobile industry to gain and retain their customers in this arena of high competition. This study is to show the clear picture of the various CRM practices in the automobile industry by taking Hero MOTOCORP. as a reference and studying its CRM practices and the various customer centric programmes launched by Hero MOTOCORP. for it's customer welfare and how it is being applied by the employees of the respective organization to initiate, build and maintain a long term relationship with the customers to get organization and brand loyalty and create furthermore reselling & repurchasing of the two wheelers of the same brand to get potential new customers and thereby accomplishing the overall objective of organizations. With this studying the consumer behaviour has also been the basic need of the companies so that a pro active action can be taken to improve faults within if any and apply the various recommendations to achieve the target of becoming the major player in the market.

With the fast changing environment, "Management" becomes an exciting, thought provoking as well as an intriguing task, exciting became the professionally qualified and component managers are expected to convert threats into opportunities bring order and stability out of chaos and remove darkness that may loom large in the horizon. Though provoking as it provides food for thought to the managers to build strategic action plans in shaping the economic destiny of an enterprise and the society at large.

TABLE OF CONTENTS

CERTIFICATE FROM INSTITUTE	ii
DECLARATION	iii
ACKNOWLEDGEMENT	iv
EXECUTIVE SUMMARY	v
CHAPTER – 1: INTRODUCTION	1
1.1 Industry profile	1
1.2 Company Profile.....	2
1.3 Objective of study.....	5
CHAPTER 2: LITERATURE REVIEW	7
CHAPTER 3: TECHNOLOGY CONSIDERATIONS.....	9
3.1 Operational Customer Relationship Management.....	10
3.2 Analytical Customer Relationship Management.....	11
3.3 Collaborative Customer Relationship management.....	11
3.4 Geographic Customer Relationship management	12
3.5 Strategy	12
3.6 Success	13
CHAPTER 4: E-CRM AND AUTOMATIVE INDUSTRY	14
CHAPTER 5: THE PURCHASE PROCESS	17
5.1 Service Relationship.....	22
CHAPTER 6: CRM PRACTICES IN HERO MOTOCORP	24
CHAPTER 7: FUTURE OF INDIAN AUTOMOBILE INDUSTRY	26
CHAPTER 8: DATA ANALYSIS	28
CHAPTER 9: CONCLUSION	53
CHAPTER 10: QUESTIONAIRE	54
CHAPTER 11: RECOMMENDATIONS	61
CHAPTER 12: REFERENCES.....	62

1. INTRODUCTION

India has been much known in recent years, and has been the recipient of major foreign investment in its automobile industry, it has in many ways not got the attention of the world's other major developing country, China – but this is about to change. With the world's 2nd largest and fastest-growing population, there is no doubt on India's potential in both the economic and population terms and the effect it will have on the automobile and automotive industry in the years to come. The country is ready for a good start now, with a well-developed components industry and a production level of 10 Lakh four-wheeled vehicles, plus 45 Lakh two wheelers and 10 lakh three-wheelers every year.

Following India's growing automobile industry, the arrival of new and existing models, easy availability of automobile loans at a relatively low rate of interest and discounts offered by the dealers and manufacturers on the cost of vehicles all have stirred the demand for vehicles and a strong growth of the Indian automobile industry.

1.1 INDUSTRY PROFILE

Automobile Dealer Network in India

In terms of Car dealer network and authorized service stations, Maruti Udyog Limited (MUL) leads the pack with the Dealer network and workshops across the country. The other leading automobile manufactures are also trying to cope up with and are opening their service stations and dealer workshops in almost all the major cities and metros of the country. Dealers offer various kinds of discount in finances who in turn pass it on to the customers in the form of reduced rate of interest.

Major Players in the Automobile Industry

- Maruti Udyog Ltd (MUL).
- Daewoo Motors India
- Hero Motors
- Bajaj Auto

- General Motors India
- Eicher Motors
- Hindustan Motors
- Hyundai Motors India Ltd.
- TVS Motors
- Telco
- Ford India Ltd.
- Royal Enfield Motors
- Swaraj Mazda Ltd

Government has liberalized the terms for foreign investment and import of technology and that appears to have benefited the automobile sector in India.. It is likely that the production of such vehicles will exceed 1 Crore in the next couple of years.

The Major Factors Behind This Upswing

Sales incentives, introduction of the attractive models as well as new variants coupled with easy availability of finance at low rate of interest with easy repayment options continued to drive the demand and sales . The risk of an increase in the rate of interest, the impact of delayed monsoons on the rural demand, and an increase in the costs of inputs such as iron and steel are the key concerns for the players in the automobile industry. As the automobile players continue to introduce the new models and variants, the competition in the market may intensify further. The ability of the automobile players to contain costs and focus on the exports will be critical for the better performance of their respective companies.

Even Growth

Opposing the belief that the growth in automobile industry has catered only to the top income-stratum of society, Growth of exports of 32.8 %., the fastest growth in volumes has come from commercial vehicles as against passenger cars.

for every passenger car turned out by the automobile sector, there were at least 7 two-wheelers produced. In the two wheeler segment, there is a great preference for motorcycle followed by scooter, with both the production and the domestic sales of motorcycle increasing at faster rate than for scooter in the current and the previous years. However, moped has registered lower or negative growth. Export growth rate has been high for both the motorcycles and the scooters.

1.2 COMPANY PROFILE

Hero MotoCorp Limited is a two-wheeler manufacturer. The Company manufactures and sells motorized two wheelers up to 350 cubic centimeters (cc) engine capacity, spare parts and related services. Its products include Karizma ZMR, Karizma, Xtreme Sports, Xtreme, Hunk, Impulse, Achiever, Ignitor, Glamour Programmed FI, Glamour, Super Splendor, Passion XPRO, iSmart 110, Passion PRO, Passion PRO TR, Splendor iSmart, Splendor PRO Classic, Splendor PRO, Splendor+, HF Deluxe ECO, HF Deluxe, HF Dawn, Duet, Maestro Edge, Maestro and Pleasure. It offers over 20 products comprising 100 cubic centimeters (CC), 110CC, 125CC, 150CC, 225CC and scooter category. Its manufacturing plants are located in Dharuhera, Haryana; Gurgaon, Haryana; Haridwar, Uttarakhand; Neemrana, Rajasthan, and Villa Rica, Colombia. Its research and development center is located in Jaipur, Rajasthan. It has a Global Parts Centre for manufacturing and supplying the parts at local and global markets at Neemrana, Rajasthan.

Mission

Hero MOTOCORP.'s mission is to strive for synergy between technology, systems and human resources, to produce products and services that meet the quality, performance and price aspirations of its customers. At the same time maintain the highest standards of ethics and social responsibilities.

This mission is what drives Hero MOTOCORP. to new heights in excellence and helps the organization forge a unique and mutually beneficial relationship with all its stake holders.

Mandate

Hero MOTOCORP. is a world leader because of its excellent manpower, proven management, extensive dealer network, efficient supply chain and world-class products with cutting edge technology from MOTOCORP. Motor Company, Japan. The teamwork and commitment are manifested in the highest level of customer satisfaction, and this goes a long way towards reinforcing its leadership status.

Corporate Social Responsibility

Hero MOTOCORP. Motors takes considerable pride in its stakeholder relationships, especially ones developed at the grassroots. The Company believes it has managed to bring an economically and socially backward region in Dharuhera, Haryana, into the national economic mainstream. An Integrated Rural Development Centre has been set up on 40 acres of land along the Delhi-Jaipur Highway. The Centre-complete with wide approach roads, clean water, and education facilities for both adults and children-now nurtures a vibrant, educated and healthy community.

The Foundation has adopted various villages located within vicinity of the Hero MOTOCORP. factory at Dharuhera for integrated rural development. This includes:

- Installation of deep bore hand pumps to provide clean drinking water.
- Constructing metalled roads and connecting these villages to the National Highway (NH -8).
- Renovating primary school buildings and providing hygienic water and toilet facilities.
- Ensuring a proper drainage system at each of these villages to prevent water-logging.
- Promoting non-conventional sources of energy by providing a 50 per cent subsidy on biogas plants.

Other key projects taken up by the Foundation include:

- **Raman Munjal Vidya Mandir** The Raman Munjal Vidya Mandir began with three classes (up to class II) and 55 students from nearby areas. It has now grown into a modern Senior Secondary, CBSE affiliated co-educational school with over 1200 students and 61 teachers. The school has a spacious playground, an ultra-modern laboratory, a well-equipped audio visual room, an activity room, a well-stocked library and a computer centre.
- **Raman Munjal Memorial Hospital** Multi-specialty hospital equipped with the latest diagnostic and surgical technology. The Raman Munjal Memorial Hospital provides healthcare to the rural population in and around Dharuhera, and also caters to accident and trauma victims driving along the Delhi-Jaipur highway.
- **Raman Munjal Sports Complex** The Raman Munjal Sports Complex has basketball courts, volleyball courts, and hockey and football grounds are used by the local villagers. In the near

future, sports academies are planned for volley ball and basket ball, in collaboration with National Sports Authority of India.

- **Vocational Training Centre** In order to help local rural people, especially women, Hero MOTOCORP. has set up a Vocational Training Centre. So far 26 batches comprising of nearly 625 women have been trained in tailoring, embroidery and knitting. The Company has helped women trained at this center to set up a production unit to stitch uniforms for Hero MOTOCORP. employees. Interestingly, most of the women are now self-employed.
- **Adult Literacy Mission** This Scheme was launched on 21st September, 1999, covering the nearby villages of Malpura, Kapriwas and Sidhrawali. The project started with a modest enrollment of 36 adults. Hero MOTOCORP. is now in the process of imparting Adult Literacy Capsules to another 100 adults by getting village heads and other prominent villagers to motivate illiterate adults.
- **Marriages of underprivileged girls** Marriages are organized from time to time, particularly for girls from backward classes, by the Foundation by providing financial help and other support to the families.
- **Rural Health Care** Besides setting up a modern hospital, the Foundation also regularly provides doorstep health care services to the local community. Free health care and medical camps are now a regular feature in the Hero Group's community outreach program.

1.3 OBJECTIVE OF STUDY

The following are the primary objectives of my research study:-

- To study and analyze the Indian Automobile industry as a whole.
- To analyze the CRM practices followed by the automobile companies in India with the perspective of the customers especially in the two wheeler companies that what steps they take to provide better services and how they overcome the various GAPS in the services to retain existing customers.
- To study the future projects of these automobile manufacturers in India.

DATA COLLECTION

- Data has been collected through various books, journals ,web sites and magazines, questionnaires of customers and employees of various departments of automobile industry.

PRIMARY DATA

- Primary data for this project is collected from the questionnaires filled by the Customers of the DELHI/NCR region
- Methods adopted for the questionnaire filling Includes:
 - Personal Interaction with the respondents
 - Launching questionnaire on online survey website www.zoomerang.com
 - Interviews (Telephonic/Personal) conducted with
 - Employees of customer care department of automobile companies
 - Employees of marketing department of automobile companies
 - Employees of sales department of automobile companies

SECONDARY DATA

The research required a lot of information about the automobile market, status of automobile market in India, trends in the market and about the competition. The sources of obtaining this secondary data were the employees, brochures, Internet and the automobile market magazines.

Sample design

- Sampling Technique used here cluster as well as random sampling so that we can select the sample elements based on our requirement.

Associates Survey

- **Location covered** : **Delhi/NCR (Delhi, Noida, Gurgaon, Faridabad)**
- **Methodology** : **Questionnaire Survey**
Personal/Telephonic Interviews of the Employees of HERO MOTOCORP automobiles
- **Sampling technique** : **Cluster sampling, Random Sampling**

2. LITRETURE REVIEW

Customer Relationship Management (CRM) is a customer-centric business strategy with the goal of maximizing profitability, revenue, and customer satisfaction. Technologies that support this business purpose include the capture, storage and analysis of customer, vendor, partner, and internal process information and companies are doing this all with the internal customers i.e. their own employees. Functions supporting the business purposes include Sales, Marketing, Customer Service, Training, Professional Development, Performance Management, Human Resource Development (HRD) and Compensation. Technologies to support the CRM initiatives must be integrated as a part of an overall Customer-Centric Strategy. Many CRM initiatives have failed due to the reason that implementation was limited to software installation only without alignment to a customer-centric strategy. From the outside of an organization, a customer experience the business as only one entity operating over extended period of time. Thus step-by-step implementation of CRM come across to the customer as unsynchronized where employees and the web sites and services are acting independent of one another, yet together representing a common entity.

Thus CRM is the philosophy, policy and coordinating strategy connecting different players within an organization so as to coordinate their efforts in creating an overall valuable series of experiences, products and services for the customer depending on the nature of business, it's size it's market share, nature of the product type, volume of sales, demographic and social & cultural factors..

Various identifiable groups among the different players within the organization are as follows:

Customer Facing Operations - The people and the technology support of processes that affect a customer's experience at the frontline interface between the customer and the organization. This can include face to face, telephone, IM, chat, email, web and combinations of all medium. Web Self Service and Self service kiosk are doing the job of vocals and they belong here.

Functional Operations that are Internal Collaborative - The people and the technology support of process at the policy and the back office which ultimately affects the activities of the Customer Facing Operations concerns the building and maintenance of the customer relationship. This includes IT, invoicing, billing, maintenance, marketing, planning, advertising, finance, manufacturing and services planning.

External Collaboration Function- The people and the technology support of the processes supporting an organisation and its cultivation of customer relationship that is affected by the organization own relationship with the suppliers and vendors, retail outlets and distributors. Some would also include in industry cooperative networks, e.g. the trade associations and lobbying groups. This is the external network foundation that supports the internal Operations and Customer facing Operations.

Experience Designers and Customer Advocates- The Creative designers of the customer experience that meets customer relationship goals of delivering the value service to the customer and profit to the organization (or the desired outcomes and achievement of goals in case of non-profit and government organizations)

Marketing Analysts and Performance Managers- Designers of the Key Performance Indicators and collectors of the metrics and data so as to execute or implement marketing campaigns, Web strategy, call campaigns and keeping the customer relationship activities on track. These would be the milestones and the data that allow activities to be coordinated, that determine if the CRM strategy is working in delivering ultimate outcomes of CRM activities: market share, revenue, numbers and types of customers, profitability, intellectual property that are concerning customer's preferences.

Employee and Customer Surveyors and Analysts - Customer Relationships are both impression driven and fact driven- the quality of interaction is as much important as the information and outcome achieved, in determining whether the relationship is growing or shrinking in value to the participants.

3. TECHNOLOGY CONSIDERATIONS

The technology requirements of a CRM strategy must be guided by an overall view of who the customer is and what value they are to get from engaging with the organization.

The basic building blocks:

A database for customer lifecycle (time series) information about each customer and prospect and their interactions with the organization, including order information, support information, requests, complaints, interviews and survey responses.

Customer Intelligence - Translating the customer profitability and needs projection into the game plans for the different segments or groups of customers, captured by the customer interactions (Human, automated or the combinations of both) into software that tracks whether that game plan is being followed or not, and whether the desired outcomes are obtained or not.

Business Modelling - Customer Relationship Strategy, Goals and outcomes: Numbers and the description of whether the goals were met and models of the customer segments and game plans worked as hypothesized or not.

Learning & Competency Management Systems— Customer's Capacity and Competency Development - Training and improving process and technology that enables an organization to get closer to achieve the desired results. Complex systems require practice in order to achieve desired outcomes, especially when humans and technology are interacting. Iteration is the key to refining, improving and innovating to stay ahead of the competition in Customer Relationship Management. (Successful tools, technology and practices will be copied by the competition as soon as they are proven successful)

Analytics and the quality monitoring - Video pattern matching, Voice recognition, Statistical Analysis, Activity-based Costing to ultimately determine the profitability of the customer relationship policies and activities over the lifecycle of each group of the customers sharing a defined set of characteristics.

Collaboration & Social networks- Profiling and interactive technology that allows the customers to interact with the business and their fellow customers and others: prospective customers & strategic partners.

The Building blocks can be implemented over the time separately, but eventually needs to be dynamically coordinated. The ongoing alignment of the basic building block distinguishes an elegant seamless CRM implementation which successfully builds mutual valuable relationships.

3.1 Operational Customer Relationship Management

Operational Customer Relationship Management provides support to the "front office" business processes that include Sales, Marketing and Service. Each interaction with the customer is generally summed up to a customers' contact history, and the staff can retrieve information on the customers from the database whenever necessary.

One of the main benefits of this contact history is that the customers can interact with the different people or the different contact channels in a company over time without having to describe the history of their interaction each time. Consequently, many of the call centres use some kind of CRM software to support their call centre agents.

Operational Customer Relationship Management processes the customer data for a variety of purposes as follows:

- Enterprise Marketing Automation
- Managing Campaigns
- Sales Force Automation

3.2 Analytical Customer Relationship Management

Analytical CRM analyzes customer data for a variety of purposes:

- Design and execution of the targeted marketing campaigns to optimise the marketing effectiveness
- Design and execution of the specific customer campaigns, including cross-selling, up-selling, customer acquisition, retention
- Analysis of the customer behavior to aid product and service decision making (for e.g. New Product Development, Pricing, etc.)
- Management decisions, for e.g. Financial forecasting and Customer Profitability Analysis
- Prediction of the probability of customer defection (churn analysis)

Analytical CRM generally makes heavy use of data mining.

3.3 Collaborative Customer Relationship Management

The function of the Customer Interaction System or Collaborative Customer Relationship Management is to coordinate the multi-channel service and support given to the customer by providing the infrastructure for responsive and effective support to customer issues, questions, complaints, etc.

Collaborative Customer Relationship Management aims in getting the various departments within a business, such as sales and marketing and technical support, to share the useful information that they have collected from interactions with customers. Also feedback from a technical support center, for example, could be used to inform the marketing staffers about the specific services and features requested by the customers. Collaborative Customer Relationship Management's ultimate goal is to use information collected from all the departments to improve the quality of customer service.

3.4 Geographic CRM

Geographic CRM (GCRM) is a customer relation management information system which collaborates geographic information system and traditional CRM.

Geographic CRM combines data collected from the route of movement, types of residence, ambient trading areas and the other customer and marketing information which is matched with the relevant road conditions, building formations, and a floating population. Such data is conformed with a map and is regionally analysed with OLAP (On-Line Analytical Processing) for visualization. This enables a company to examine the potential customers and manage the existing customers in the region.

3.5 Strategy

Few commercial CRM software packages like SAP are available in the market which varies in their approach to CRM. However, as discussed above, CRM is not just a technology of softwares and all but rather a comprehensive customer-centric approach to the philosophy of an organization in dealing with its customers. These include policies and processes, employee training, front-of-house customer service, marketing, systems and information management. Hence, it is important that any CRM implementation consideration stretches beyond technology, towards the more broad organizational requirements.

However the objectives of a CRM strategy must consider a company's situation and its customers' needs and expectation of customers. Moreover Information gained through the various CRM initiatives can support to the development of the marketing strategy by developing organization's knowledge in various areas such as identifying the customer segments, improving the customer retention, improving the product offerings (by better understanding customer needs), and by identifying the organization's most profitable customers.

CRM strategy can vary in size, scope and complexity. Some of the companies consider a CRM strategy only to focus on the management of a team of the salespeople. However, most of the

other CRM strategies can cover interaction with the customers across the entire organization. Many of the commercial CRM software packages that are available provides various features that serve the sales, marketing, the event management, the project management and the finance.

3.6 Successes

While there are numerous reports of "failed" implementations of various types of CRM projects, [citation needed] these are often the result of unrealistic high expectations and exaggerated claims by CRM vendors.

Most/many of these "failures" are also related to data quality and availability. Data cleansing is a major issue. If a company's CRM strategy is to track the life-cycle revenues, the costs, the margins and the interactions between the individual customers, these must be reflected in almost all the business processes. The data must be extracted from the various multiple sources (e.g., divisional/departmental database, including sales, manufacturing, Logistics, supply chain, finance, services, etc.), that requires an integrated, comprehensive business processing systems to be in place with the defined structures and data quality. If not, then interfaces must be developed and implemented upon to extract data from the different systems. This creates a demand that is far beyond customer's satisfaction to understand the full B2B relationship. For this specific reason, CRM is much more than a sales or a customer interaction system.

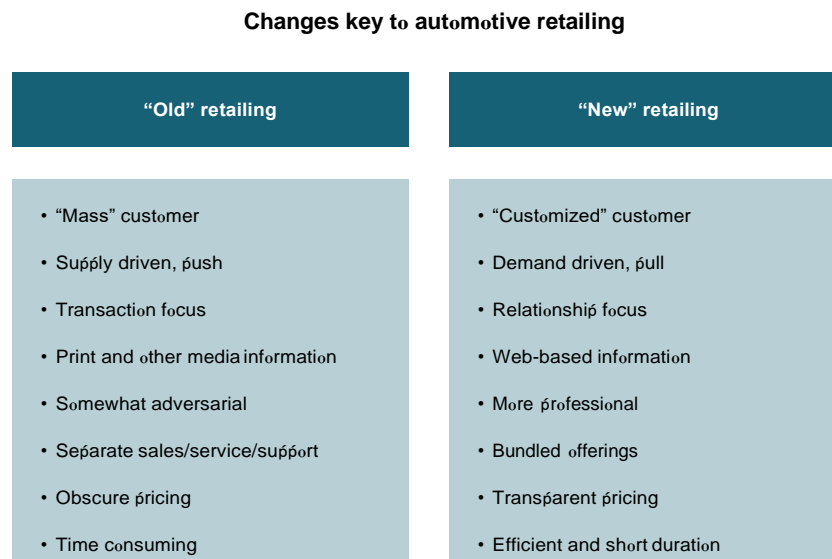
The experience from many of the companies is that a clear cut CRM requirement with regards to reports (for e.g., the input and output requirements) is of a vital importance before initializing any implementation. With a proper demand specification, a big deal of time and money can be saved that is based on realistic expectations of systems capabilities. A well operating CRM system can be an extremely powerful tool for the management and the customer strategies.

4. E-CRM AND THE AUTOMOTIVE INDUSTRY : FOCUSING ON CUSTOMERS

Most studies of Customer Relationship Management (CRM) methodologies and technologies in the auto industry have explored the benefits of these new technologies for automobile manufacturers, dealers, and suppliers. The intent of this brief white paper is to consider as well the impact of the CRM from the perspective of the ultimate vehicle buyer i.e. a customer, and place these developments in a more broad retail context.

The scope of term “relationship” in the automobile CRM applies to all the possible interactions between the customer i.e. the purchaser and the industry, throughout the complete purchase and use process. In order for electronic CRM tools to have true impact, they will eventually connect to all the customer touch points, those events and transactions that constitute the activities of the relationship.

Figure 1 below displays a range of the retail changes emerging nowadays. Many, perhaps not all are driven by the introduction of the electronic communication technologies and the rapid evolution of e-business applications. To be definite, e-business has lost most of its panache in the much broad retail industry & perhaps even more in the automobile industry.



Source: E&Y, Ford Motor Company, Polk. Modified by OSAT

Figure 1: Retailing in general is changing and so will automotive retailing

Nevertheless, we remain persuaded that e-business will gather new momentum and will substantially alter the way vehicles are purchased and used. However, we expect e-business to take considerably longer than the aggressive predictions of few years ago. Rather than simply a sweeping revolution, we think that the adoption of e-business and adaptation to e-business will move ahead in a discontinuous fashion, reaching to an equilibrium point for a time, and then surging ahead towards a new equilibrium.

What these changes are? For the one, automobile industry is now moving from a mass market, where one product is considered to be essentially suitable for a large mass of the customers, to a market that is more customized, where products are much more differentiated, and linked to the more differentiated customer base. The product's offering in today's automobile market is far more differentiated and segmented than those available to us in the market just two decades ago. For another, today's markets are increasingly demand driven, with customers providing the pull signals for production, rather than production providing the supply that must generate its own demand. Admittedly, this approach is much far along in the manufacturing end of the automobile industry than that in the retailing end, where most of the dealers continue to believe that larger inventories are very necessary to generate more sales.

Old models of the market relationships were more often focused on the transaction, sale of the vehicle or the service, and the relationship with customers beyond the specific transaction were far more or less frequent. We nowadays see an accelerating trend towards the developing relationships between the vendor and the buyer that persists over a number of transactions. Indeed, most of the automobile manufacturers and dealers wants to increase repeat sales (i.e. customer retention), not least because they are less expensive than conquest sales. Nor is it more surprising that a "relationship" focused on just one sale permits a sales approach that a customer might well view it as somewhat high-pressure and adversarial, while a sales approach keyed to multiple transactions would become more or less adversarial and more professional in tone.

There is an ample evidence of the "bundling" of the sales, the service and support activities in the automobile retail, an offering strategy that supports a long-term, repeated contact relationship. The product announcements and advertising on the web are now becoming more prevalent, and virtually every dealer now has its own website, and every manufacturer does the same. Prospective purchasers shall continue to rely on the other media for information, but their increased reliance on the web has made the automobile consumers much more informed and aware of their actual bargaining situations prevailing than in the past. Indeed, automobile pricing is becoming more and more transparent today, largely because of the ready access to such an information on the web.

Eventually, the press of the modern living has increased the premium many customers placed on their time, and the retail buying experience in the automobile sector, if not notably lesser time consuming, can be separated, and the parts of it carried on over the web, at the convenience of the customer.

These changes in the retail environment have the numerous implications for vehicle purchasing and related CRM activities, and now we turn to examine a few of them.

5. THE PURCHASE PROCESS

The two wheeler buying process can usefully be thought of as a customer experience funnel, as the customer moves from broad and perhaps vague interests to the purchase of a specific vehicle, as illustrated in Figure 2, below.

Awareness: It is the first stage of the decision to purchase. At this stage, a customer may or may not own a vehicle, but in either of the case is contemplating the purchase of the one. Customer may begin with the awareness or opinion of which vehicles will satisfy their needs. They might have deeply seated opinions of the two wheeler brands based on the word of mouth from the friends or acquaintances, the family traditions, the news media, and a multitude of the other sources. These sources of course may provide the information that directly conflicts with the images offered by the advertising for vehicle brands. At this stage, customers are often “information passive,” noting and absorbing information as it is offered, but not yet actively seeking it out. In addition to this, the information in the play at this stage is typically far of a more general nature rather than constituting the particular bits of information.

Information Seeking: It is the second stage of the purchasing process. Very similar to the awareness stage, customers may here receive information about the prospective vehicles from a variety of sources, but now the customers are more actively seeking the information, and may engage in a number of methods to gather information that is often quite specific.

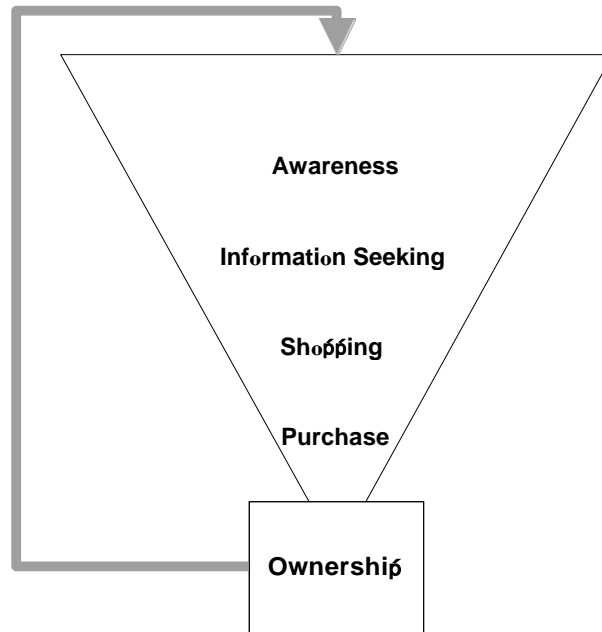


Figure 2: The “Purchasing Funnel.”

Some common sources of information include:

- Friends and family
- Car dealers
- Advertising
- Magazine or newspaper reviews
- Internet sites (both independent and manufacturer operated)

Shopping: It is the third stage of purchasing process. After the preliminary research at second stage, the customers often narrow their choices to short list the vehicles that they think are candidates for “right vehicle at the right price.” Traditionally, this shopping stage actually meant visiting the different dealers to get pricing information or we call it quotations, examine and test drive the different models, and secure the approval for a loan or lease. During the past five years, technology has made this step easier since most of the basic information is now available online and in magazines and journals. Above step still involves some idea of what type of vehicle a customer wants, the weighing of some basic budgeting factors, and availability of

vehicles and the possible service support. It typically involves some physical evaluation of the vehicle, perhaps including a test drive, and so forth.

Purchasing: It is the fourth stage. Once a customer has decided to buy on a particular vehicle the actual purchase of that vehicle has traditionally been a challenge, which involves negotiations with dealers or brokers concerning the final selling price of the vehicle, the payment options, and the optional content and/or the services, such as accessories upgrades and service contracts. This transaction continues to be far more complicated, despite the impact of technology. For the customers who went through this process infrequently, the process of negotiating the price, the trade-in value, the financing arrangements, then making the purchase, and then registering the vehicle can seem like a whirlwind of jargon, the acronyms, and fast talk. As yet, a relatively small percentage of the customers complete these steps online. Nonetheless, it is no exaggeration to say that consumers walking into the dealerships are now far better prepared with the facts and figures. Now dealers are no longer the near-exclusive gatekeepers of information about the pricing, the wholesale cost and the resale value. Rather, they must compete with an array of the information sources and the competitors from the ever expanding geographic and the virtual sources.

The above four stages in the purchasing process are all relatively information intense, although they differ in many important ways, as to, what information a typical customer receives and how he gather it. **Figure** below, suggests that how these four stages may differ in the two important respects. Firstly, they differ in how general or specific the information typically is, and secondly, they differ in how actively the customer is pursuing the information.

It is important to structure information targeted to customers and the mode of delivery so that it is appropriate to the purchasing stage. The information must either be compatible with the type of information and the receptor mode characteristic of the stage, or somehow manage to pierce the information orientation or to shift the mode. Of course, the type of information customers seek and the search patterns they use are not completely independent, so efforts to target groups of consumers can be very successful.

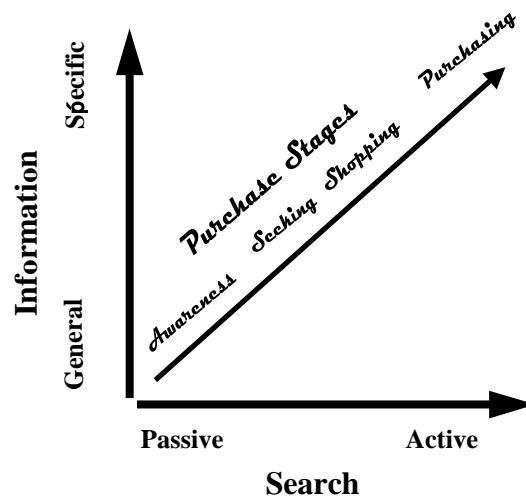


Figure 3: Purchasing stages' characteristic information types and search patterns

Ownership is the end of the purchasing funnel. From this point forward, customers have traditionally interacted with automakers and dealers only when the customers needed warranty work, maintenance, repairs or were responding to a recall. Both dealers and manufacturers have used rudimentary direct mail marketing efforts to develop "relationships" with new vehicle buyers. It is during this ownership period that electronic CRM (e-CRM) technology may offer the industry new and effective ways to establish and maintain contact with customers so that as

one period of vehicle ownership ends, the customer cycles back to the same manufacturer and/or dealer. And capturing the next sale is really what e-CRM is meant to achieve.

If we begin again at the top of the purchase funnel to explore the ways in which e-CRM technology can impact the experience of the customer. Indeed, e-CRM offers the industry numerous opportunities to adopt a more active role in shaping and guiding the customer's journey through the purchasing funnel. E-CRM has a potential application and impact across all the stages of the purchase and the ownership cycle suggested by the customer experience funnel.

The following discussion is organized around a few exemplar e-CRM techniques, although it roughly parallels the stages of the purchasing funnel, as displayed in figure 4 below.

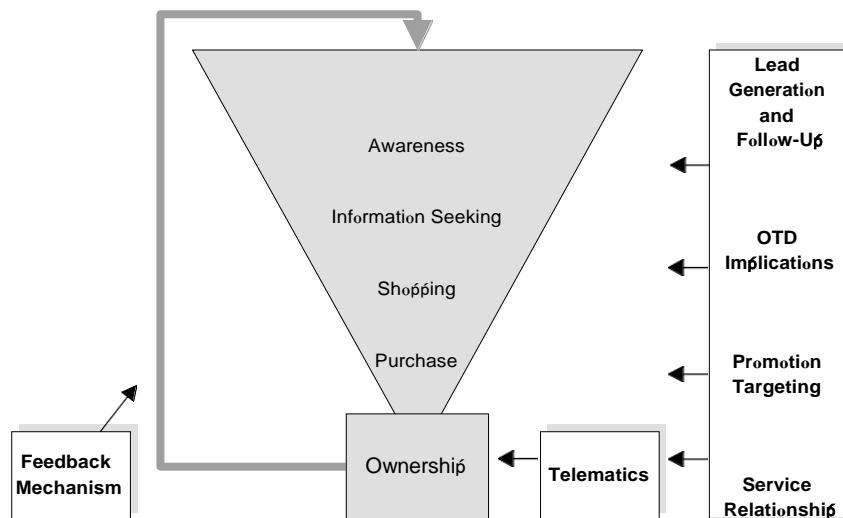


Figure 4: The “Purchasing Funnel” and e-CRM

There is a little doubt that the Internet has already become a rich source of leads for the industry:

- About 62% of the new automobile buyers use the Internet at some stage of the purchase process

- These users more often visits an average of nearly 7 websites, with 80 percent visiting at least one independent and 71 percent at least one OEM site
- Both the independent and the OEM online leads yield similar sales levels, and while the OEM leads are fewer in number, they have a higher closure rate
- Nearly 65 percent of the dealers subscribe to OBSs (Online Buying Services)
- The dealer websites generate leads with closing rates of about 20 percent, somewhat above the OEM's rate of 15 percent
- The closing rates are typically higher for used vehicles than for new

When it comes to lead generation and follow-up, one particular value of new technology is the potential to share contact information across organizations. Customer requests for brochures or quotes from the manufacturer can theoretically be passed on to the closest dealer. OEM Internet sites are beginning to provide vehicle configurations that provide exact pricing and vehicle combinations that can truly be built. For example, GM Buy Power and a number of other manufacturer sites provide information on configurations and show dealer inventory. Some sites are collaborative; for example, FordDirect.com is a site partially owned by its dealers. And more and more dealers have their own web sites, now estimated at 93 percent of all new car dealers.

5.1 Service Relationship

The service relationship has traditionally offered dealers a direct opportunity to communicate with their customers as they came in for scheduled service or warranty work. OEM communication during the ownership phase used to be almost non-existent, and what did take place was used to resolve service or warranty concerns beyond the dealers' purview, or for safety recalls. Whether this kind of "crisis" communication was ever beneficial in building a relationship between the manufacturer and the customer is questionable. But today, when there are so many choices among manufacturers and dealers, good vehicle quality and dealer service are necessary conditions for competitive success, so these kinds of communications are unlikely to build positive relations and repeat vehicle purchases. However, service still offers some dramatic opportunities for both dealers and manufacturers to build relationships with customers.

For the dealer, a fully integrated e-CRM solution would trigger a number of actions:

- Send the customer an e-mail service reminder
- Allow the customer to schedule an appointment immediately, without phoning
- Order parts needed for the service appointment
- Perhaps even schedule a loaner or rental vehicle.

Once the vehicle is being serviced, customers can

- View the status of the repair or maintenance job
- Communicate instantly with the service manager for approvals
- Pay for the repair
- Have the repaired vehicle delivered to a specified location.

E-CRM offers the manufacturer better connectivity and relationships with the dealer network, and also garners benefits from the technological promise of telematics. Having in-vehicle communication available with customers offers manufacturers an unprecedented opportunity. Mileage data, service indicators (warning lights, oil-life monitor status or even accident data), and perhaps even personal calendar functions could combine to signal a dealership and the customer of the need for service, but also communicate to the manufacturer detailed warranty information and customer interests. GM's On-Star system offers a premier service with concierge assistance, for an example. If any level of exclusivity for this type of service can be developed and the intervening privacy issues settled, this could potentially raise the cost of switching to another brand of automobile next time the customer is shopping.

6. CRM PRACTICES IN HERO MOTOCORP.

It's robust designed website in the benefit of it's customers consists of the following information:

- Features and Benefits of the genuine parts, that enables the customers to make aware so that one can detect that the part available in the market is genuine or fake. Even the best components manufactured need replacement from the time to time. And to ensure the continued impeccable performance of the vehicle, the spare parts should also be made and replaced as good as the components fitted by Hero MOTOCORP.. To ensure this, it manufactures and procures the replacement parts according to the set specifications and standards.
- Warranty Policy that features the Scope of Warranty. Hero MOTOCORP. Motors Limited warrants all its two-wheelers manufactured/assembled in Dharuhera Plant and Gurgaon Plant, distributed in India and sold through its authorized dealers to be free, under normal use and condition, from any defect both in material and workmanship, subject to the various terms and conditions and the limitations of warranty i.e. the conditions in which warranty shall not apply featured on this website thus made the system more transparent and customer centric.
- Service & Maintenance Schedule that enables a customer to get the vehicle serviced within the stipulated conditions of time period or km range, whichever condition gets satisfied earlier from the date of purchase. After the completion of free services or its validity period you must continue availing paid services as per the recommended service schedule on the websites at a right time and at the nearest dealers shown in the list provided there thus providing highest level of customer satisfaction by taking good care of your two-wheeler service and maintenance through a vast network of more than 2100 committed Dealers and Service outlets spread across the country. The state-of-the-art authorized workshops have well laid out standards for two-wheeler servicing with fully equipped infrastructure having quality precision instruments, pneumatic tools and a team

of highly trained service technicians. Having the two-wheeler serviced at an authorized workshop ensures highest standards of service quality and reliability.

- Information on the identification of the genuine spares with the MRP shown on every part and on the site showing

Fluorescent-ink-printed Hero MOTOCORP. Genuine Parts logo which glows under infrared light

On the Holographic Strip:

- Pseudo 3D effect
- Expanding and shrinking effect - Hero MOTOCORP. logo.
- Kinetic effect - Rainbow
- Tips to the riders under Rider Education Programme that shows how to ride safe with Hero MOTOCORP. and the promotion of the three E's
 - i. Engineering
 - ii. Environment
 - iii. Education

Here various tips are given for the Hero MOTOCORP. Riders to follow the Do's and Don'ts in their machines and educates on how to keep their environment safe and clean. Thus educates about the

- Health & Environment
- Safety
- Facts and Information
- Social responsibility
- Various Programmes conducted by Hero MOTOCORP. that are customer centric.

7. FUTURE OF INDIAN AUTOMOBILE INDUSTRY

The all-India and region-wise demand and growth trends for the selected vehicles are presented in the table below:

- The demand for passenger cars would be the highest in the north-central region followed by west. However, the growth rate for demand would be the highest in the western region. The demand for passenger cars as well as its growth rate is projected to be the lowest in the eastern region.
- Western region has topped the list in the demand for the motorcycles among the two-wheeler coupled with the highest growth rate of 16.9 per cent. This is further followed by the southern region and north-central regions.
- In general, the growth rate for the demand for scooter is projected to be abysmally low. The western region would record the highest growth rate, that of a mere 3.5 per cent.
- The demand for MUV would be the highest in the western region with a CAGR of 9.7 per cent. North-central and southern regions would have identical growth rate of 8.6 per cent. However, the demand would be substantially higher in the north-central region.

Globally, the automobile industry, with its oligopolistic market structure, is one of the largest in terms of employment and value addition. As a leader in product and process technologies for the manufacturing sector, it has been accepted as one of the important drivers of economic growth. Global trends indicated that the auto market has moved from the growth and development phase to the consolidation phase. The Japanese automobile majors, besides technological innovations, implemented some modern management philosophies, which were

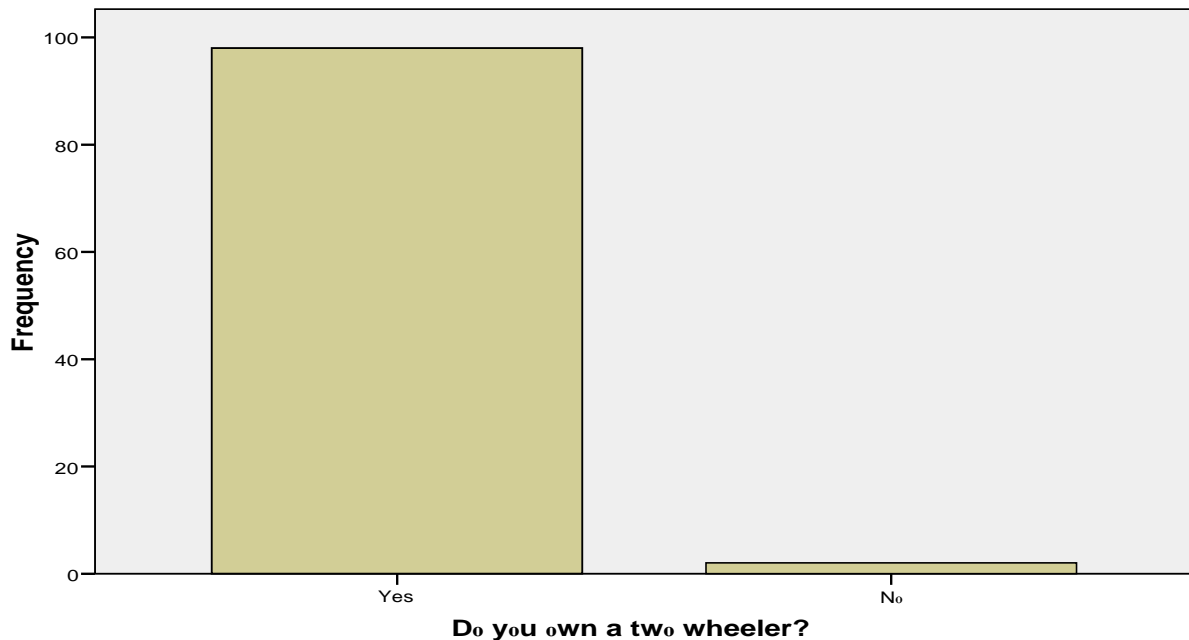
gradually adopted by the automobile industry of the United States and other European countries. Currently, almost fifty percent of the global passenger car production comes from three countries, viz., the US (20%), Japan (19%) and Germany (12%). In the commercial vehicle category, the share of the US is 46 per cent followed by Japan (11%) and China (9%). In both these categories of vehicles, India's share in the total world production is 1 per cent. India has an immense potential of emerging as a global automobile giant. Automobile and automotive industry has made pioneering efforts in adopting the modern technology and thus allowing the entry of foreign players by liberalizing the policies of foreign investments in India. Here the fast growth of this industry is evident in the spurt in demand for automobiles in the last few years. This is very well supported by the reforms in the economy that have been put in place, particularly in financial sector and in the foreign direct investment. During the last 10 years, serious efforts has been made to fine-tune state policy to enable the Indian automobile industry realize its potential to the fullest. Abolition of the licensing and the removal of quantitative restrictions coupled with the initiatives to bring policy framework into step with WTO requirements have set the industry on a continuous progressive path. The freeing of the industry from this restrictive environment helped it to restructure and absorb new technologies and align itself to the global development. Increasing competition as a result of the liberalization has led to the continuous modernization as well as the substantial price reduction keeping pace with the international standards. Moreover, the auto finance with aggressive marketing strategies has played a great role in boosting the automobile demand.

8. DATA ANALYSIS

Do you own a two wheeler?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	98	98.0	98.0	98.0
No	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Do you own a two wheeler?



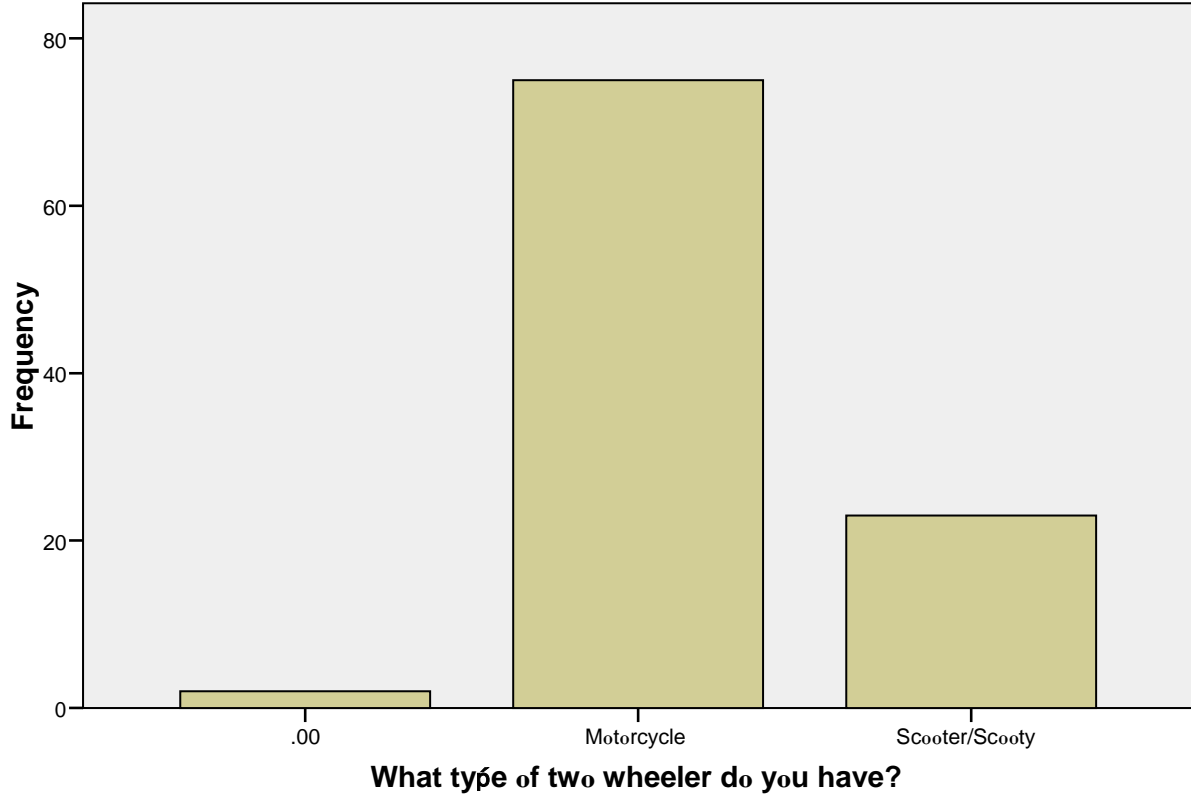
Analysis:

It is very clear from the figure that out of the total 100 respondents surveyed 98% are the owners of one or more two wheelers and only two percent do not have it. This fact makes it clear that it is a necessity but it has not become the basic need with the existence of the other substitutes in the market like four wheelers, hiring vehicles like rickshaws, three wheelers, etc.

What type of two wheeler do you have?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid .00	2	2.0	2.0	2.0
Motorcycle	75	75.0	75.0	77.0
Scooter/Scooty	23	23.0	23.0	100.0
Total	100	100.0	100.0	

What type of two wheeler do you have?



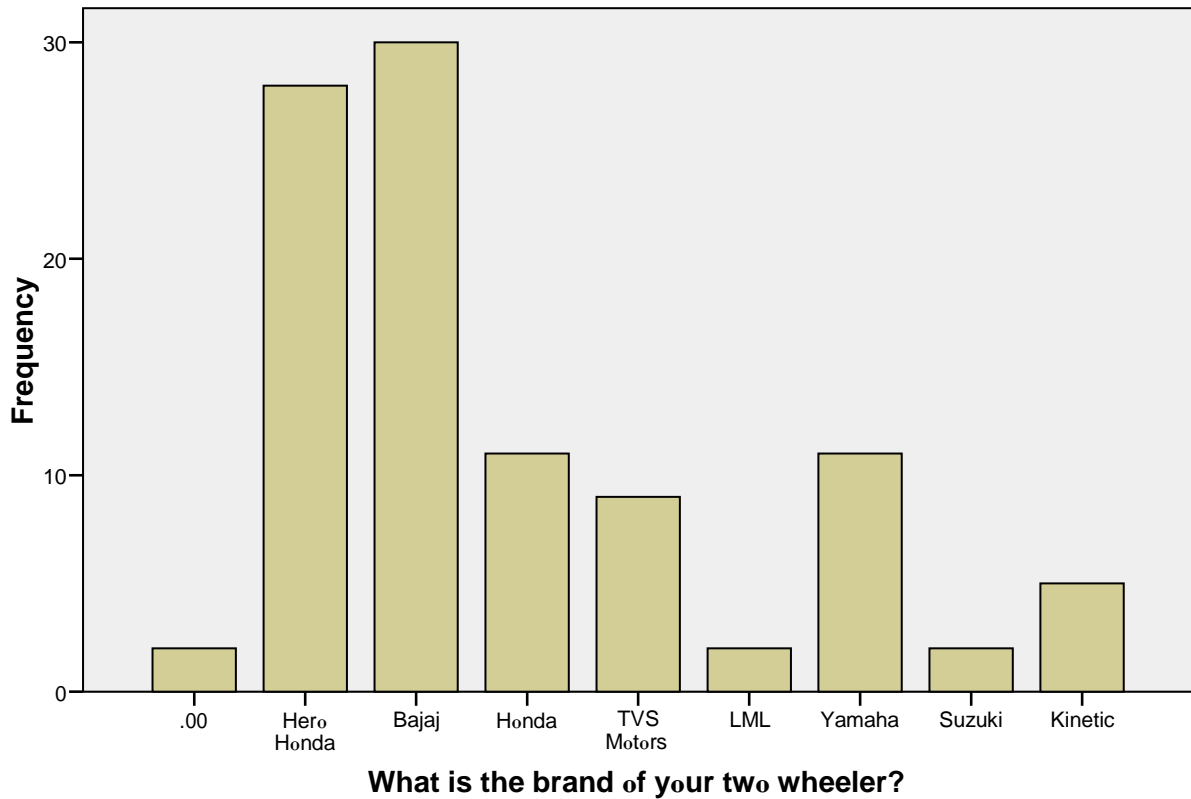
Analysis:

From the table it is clear that out of the 98 owners of the two wheeler a big number of 75 respondents owns motorcycle and 23 are the owners of the scooter/scooty. Talking with those 75 respondents it has been found that 62 of them are curious of power bikes and they want to purchase them in the near future when they will be launched in India as Bajaj has introduced its Pulsar 220 cc and Hero MOTOCORP.'s Karizma model in the market, as according to them it is the introductory stage so the price is high now. Rest 13 do not want to purchase any two wheeler due to the fact that they are going to purchase four wheeler now as it is available at a low cost of 1.25 lakh just a bit more than a two wheeler for example Tata Nano, so they will go for four wheelers only in the near future.

What is the brand of your two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Hero	28	28.0	28.0	30.0
	MOTOCORP.				
	Bajaj	30	30.0	30.0	60.0
	MOTOCORP.	11	11.0	11.0	71.0
	TVS Motors	9	9.0	9.0	80.0
	LML	2	2.0	2.0	82.0
	Yamaha	11	11.0	11.0	93.0
	Suzuki	2	2.0	2.0	95.0
	Kinetic	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

What is the brand of your two wheeler?



Analysis:

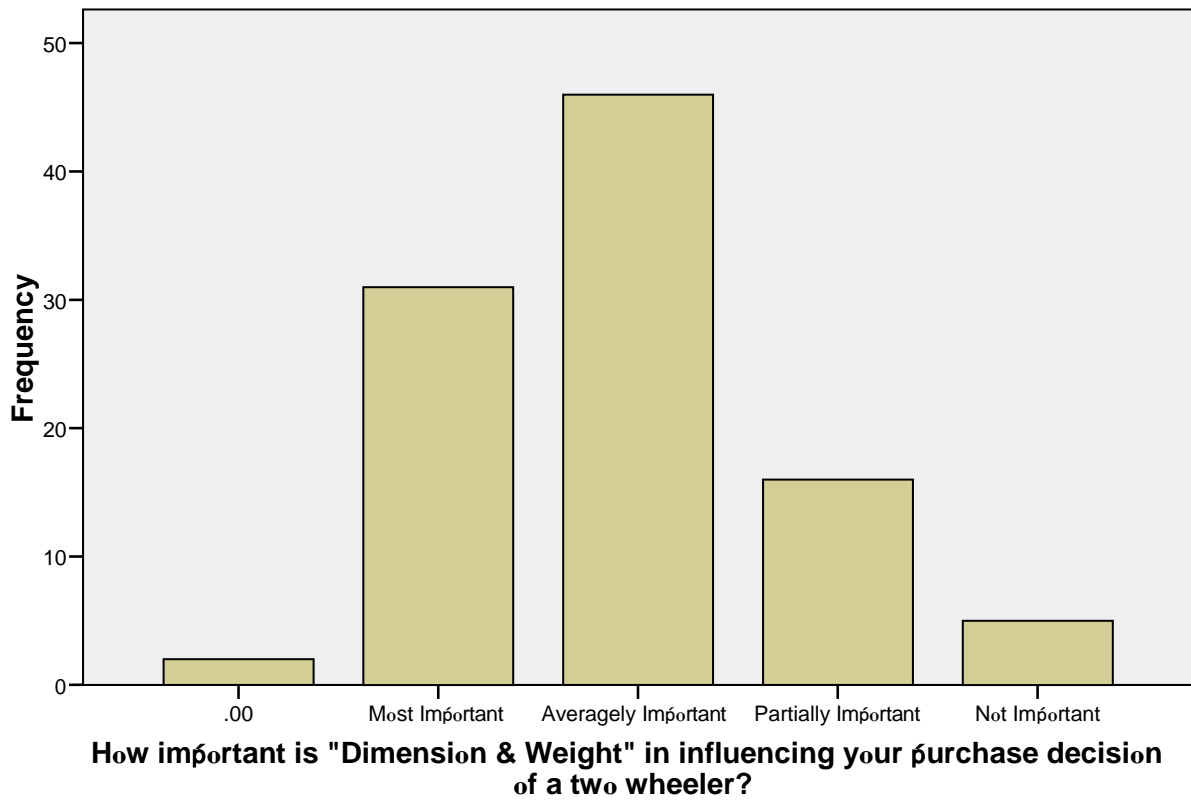
As shown in the bar chart it has been clear that out of the total sample only 28 % are the people who owns Hero MOTOCORP. Bikes with the high 30 % of the people are there who owns Bajaj model thus making it a big competitor of Hero MOTOCORP.. Thus Bajaj with 30% followed by 28 % of Hero MOTOCORP., followed by MOTOCORP. and Yamaha with an equal 11 % each owners followed by 9 % of TVS motors two wheeler owners which is followed by 5 % of the Kinetic Brand owners and then a lowest 2 % each of LML and Suzuki brand of two wheeler owners.

Majority of the Hero MOTOCORP. and Bajaj users prefer these brands either due to the good performance of the brands or due to the good customer care service by the brands.

How important is "Dimension & Weight" in influencing your purchase decision of a two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Most Important	31	31.0	31.0	33.0
	Average Important	46	46.0	46.0	79.0
	Partially Important	16	16.0	16.0	95.0
	Not Important	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

How important is "Dimension & Weight" in influencing your purchase decision of a two wheeler?



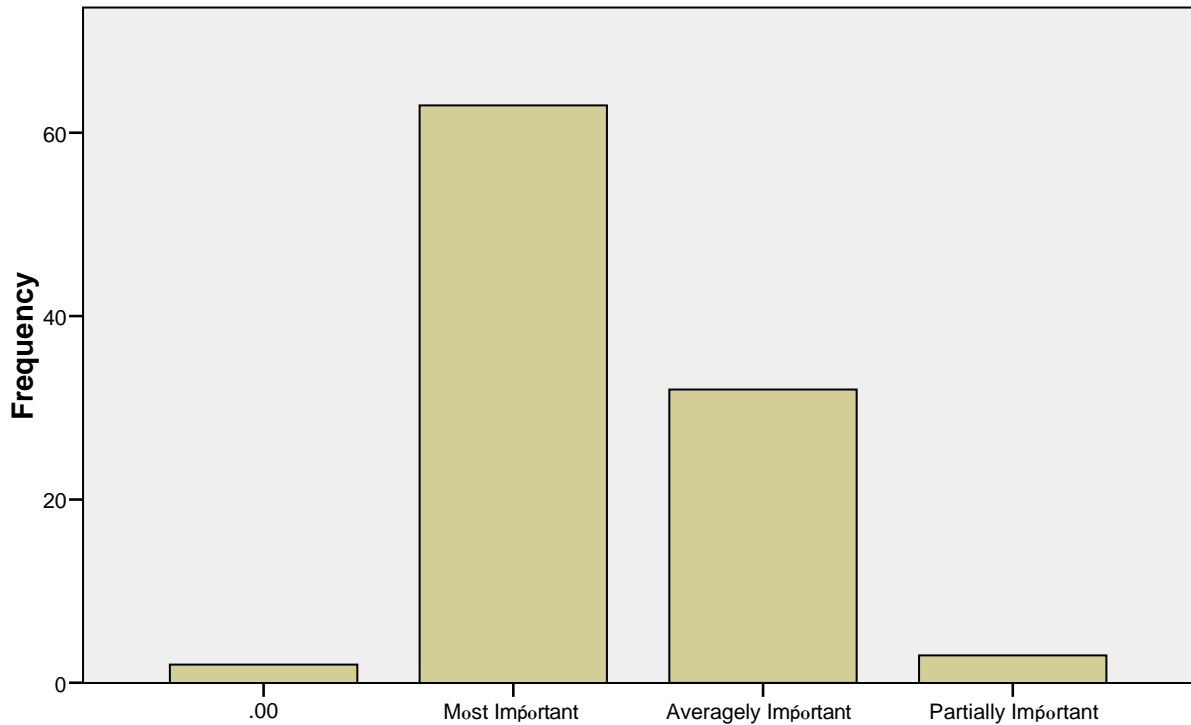
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Dimension and Weight” of a two wheeler 31 percent of the respondents says that “Dimension and Weight” is most important to see while purchasing a two wheeler, a highest of 46 percent of the respondents says that “Dimension and Weight” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 16 percent of the respondents says that “Dimension and Weight” is a partially important factor to be taken care of while purchasing a two wheeler where as a lowest of 5 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “Dimension and Weight” factor.

How important is "Engine & Electricals" in influencing your purchase decision of a two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Most Important	63	63.0	63.0	65.0
	Average Important	32	32.0	32.0	97.0
	Partially Important	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

How important is "Engine & Electricals" in influencing your purchase decision of a two wheeler?



How important is "Engine & Electricals" in influencing your purchase decision of a two wheeler?

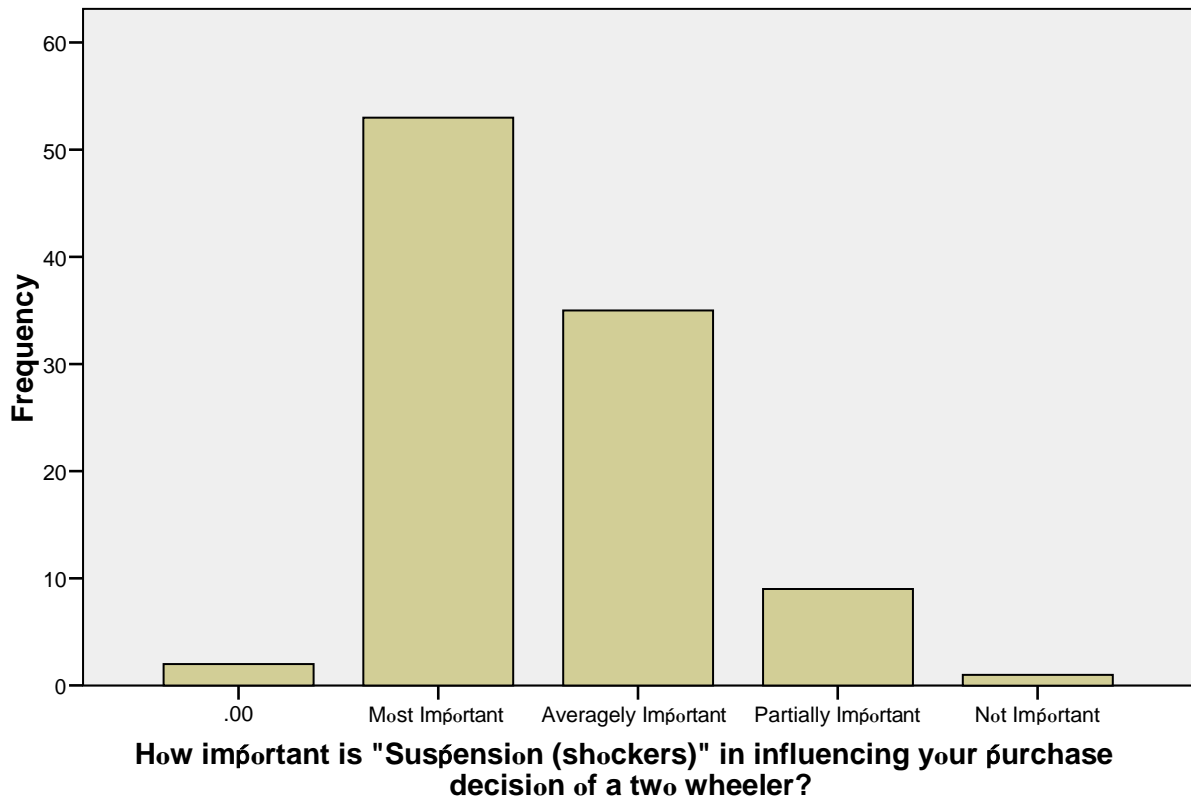
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Engine and Electricals” of a two wheeler a highest 63 percent of the respondents says that “Engine and Electricals” is the most important factor to see while purchasing a two wheeler, followed by 32 percent of the respondents who says that “Engine and Electricals” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a lowest of 3 percent of the respondents says that “Engine and Electricals” is a partially important factor to be taken care of while purchasing a two wheeler where as none of the respondents owning a two wheeler says that it is not at all important to consider while purchasing a two wheeler.

How important is "Suspension (shockers)" in influencing your purchase decision of a two wheeler?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid .00	2	2.0	2.0	2.0
Most Important	53	53.0	53.0	55.0
Averagely Important	35	35.0	35.0	90.0
Partially Important	9	9.0	9.0	99.0
Not Important	1	1.0	1.0	100.0
Total	100	100.0	100.0	

How important is "Suspension (shockers)" in influencing your purchase decision of a two wheeler?



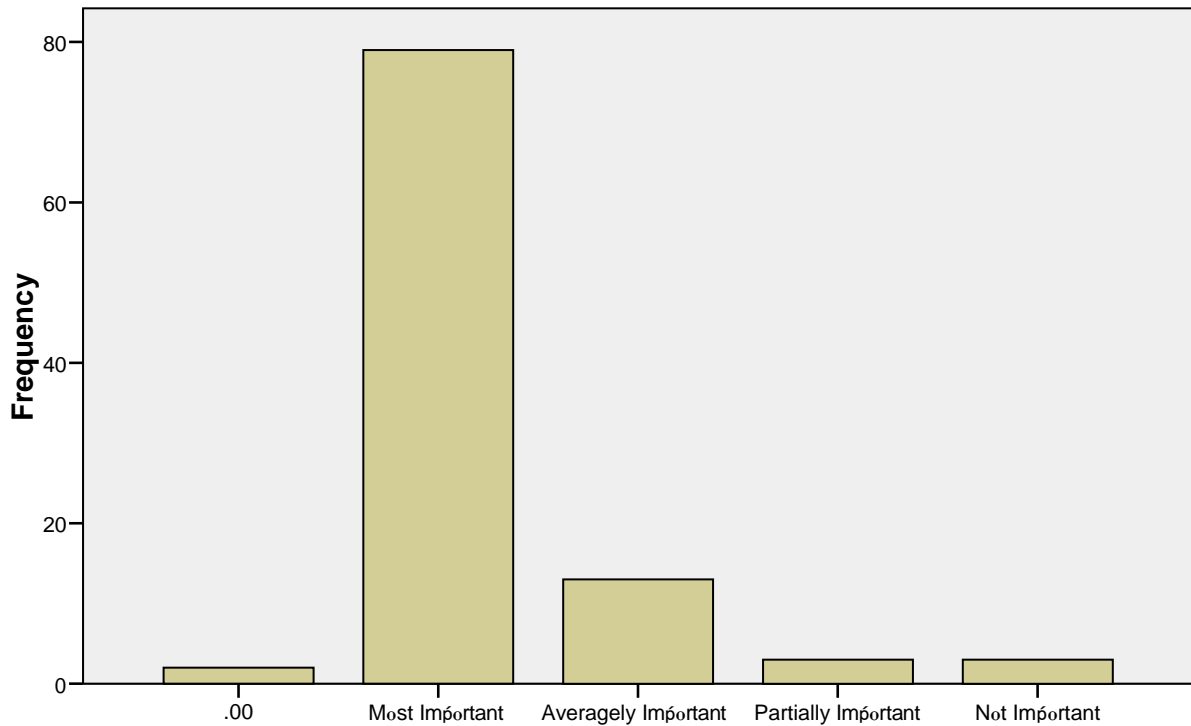
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Suspension (Shockers)” of a two wheeler the highest 53 percent of the respondents says that “Suspension (Shockers)” is the most important factor to see while purchasing a two wheeler as the comfort of smooth driving depends on the good shockers of the vehicle, followed by 35 percent of the respondents says that “Suspension (Shockers)” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 9 percent of the respondents says that “Suspension (Shockers)” is a partially important factor to be taken care of while purchasing a two wheeler where as a lowest of 1 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “Suspension (Shockers)” factor.

How important is "Performance" in influencing your purchase decision of a two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Most Important	79	79.0	79.0	81.0
	Average Important	13	13.0	13.0	94.0
	Partially Important	3	3.0	3.0	97.0
	Not Important	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

How important is "Performance" in influencing your purchase decision of a two wheeler?



How important is "Performance" in influencing your purchase decision of a two wheeler?

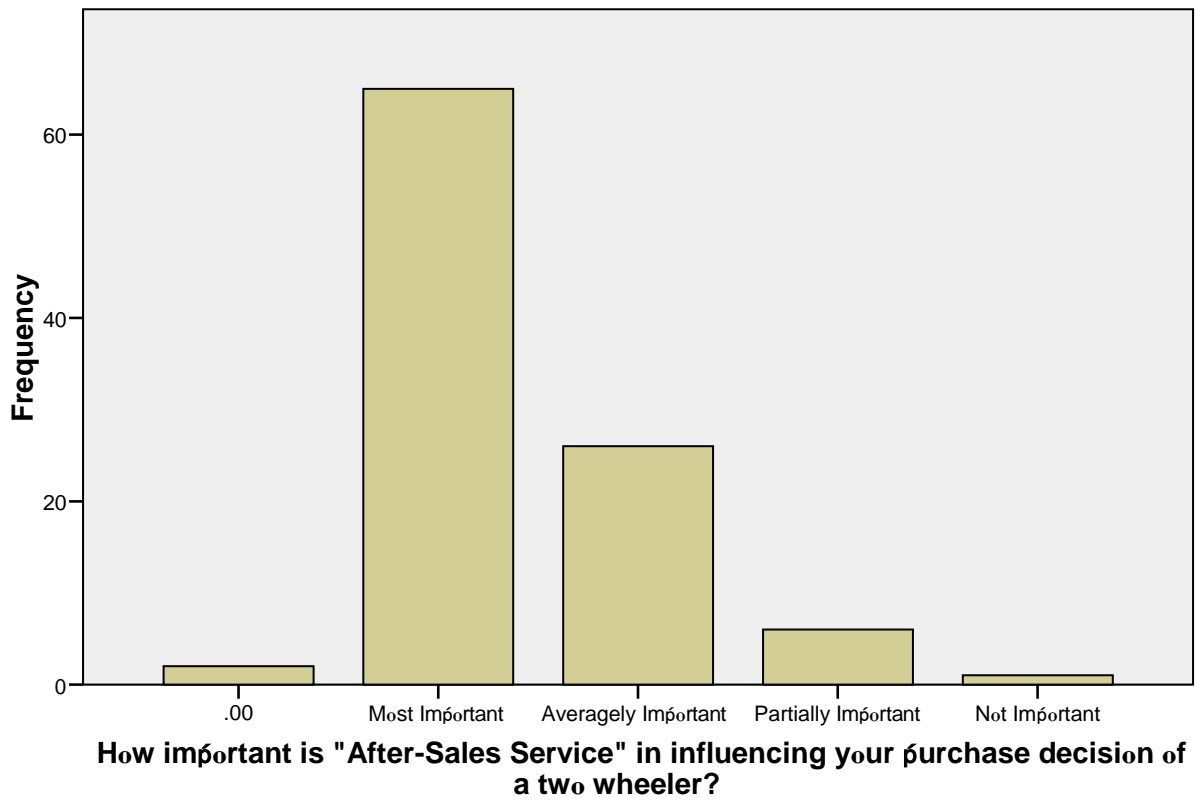
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Performance” of a two wheeler a highest 79 percent of the respondents says that “Performance” of the vehicle is the most important factor to see while purchasing a two wheeler, followed by 13 percent of the respondents who says that “Performance” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 3 percent of the respondents says that “Performance” is a partially important factor to be taken care of while purchasing a two wheeler where as an equally low of 3 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “Performance” factor.

How important is "After-Sales Service" in influencing your purchase decision of a two wheeler?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid .00	2	2.0	2.0	2.0
Most Important	65	65.0	65.0	67.0
Averagely Important	26	26.0	26.0	93.0
Partially Important	6	6.0	6.0	99.0
Not Important	1	1.0	1.0	100.0
Total	100	100.0	100.0	

How important is "After-Sales Service" in influencing your purchase decision of a two wheeler?



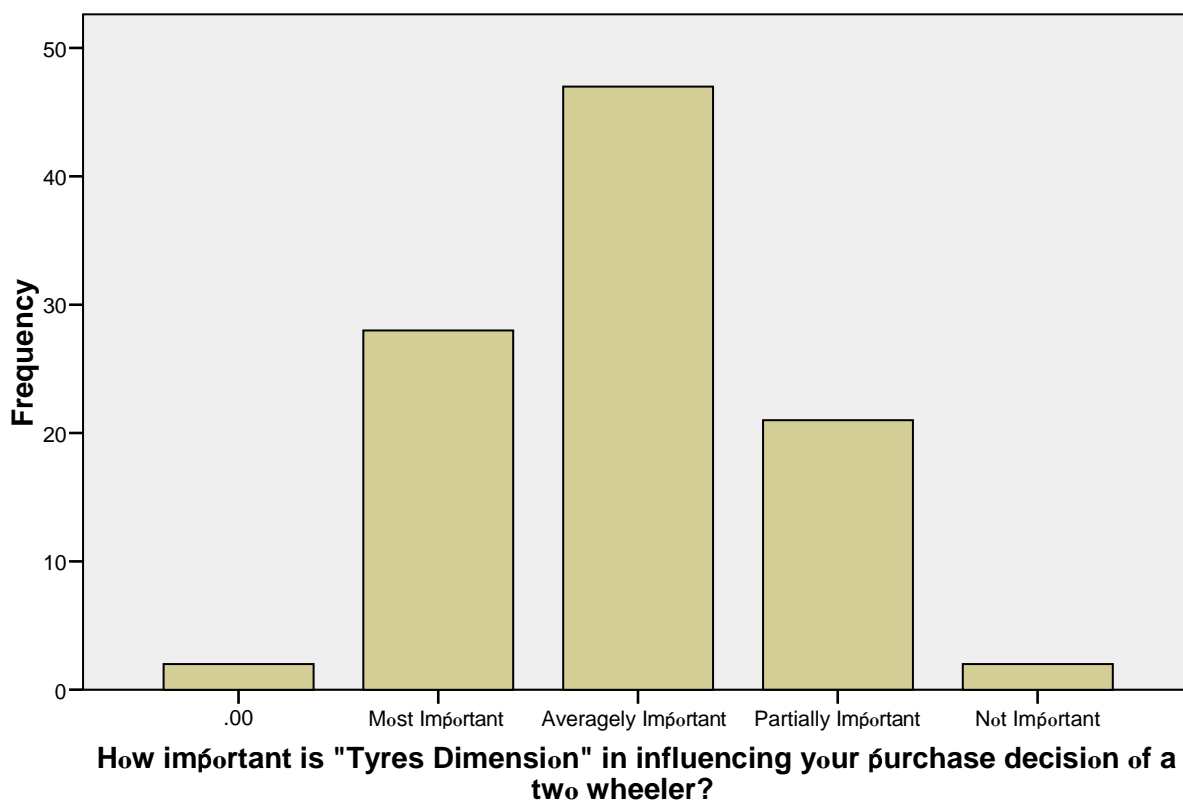
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “After-Sale-Service” of a two wheeler a highest 65 percent of the respondents says that “After-Sale-Service” is the most important factor to see while purchasing a two wheeler as it is important factor responsible for the maintenance of the vehicle and long term relations with the company, followed by 26 percent of the respondents who says that “After-Sale-Service” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 6 percent of the respondents says that “After-Sale-Service” is a partially important factor to be taken care of while purchasing a two wheeler where as a lowest of 1 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “After-Sale-Service” factor.

How important is "Tyres Dimension" in influencing your purchase decision of a two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Most Important	28	28.0	28.0	30.0
	Average Important	47	47.0	47.0	77.0
	Partially Important	21	21.0	21.0	98.0
	Not Important	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

How important is "Tyres Dimension" in influencing your purchase decision of a two wheeler?



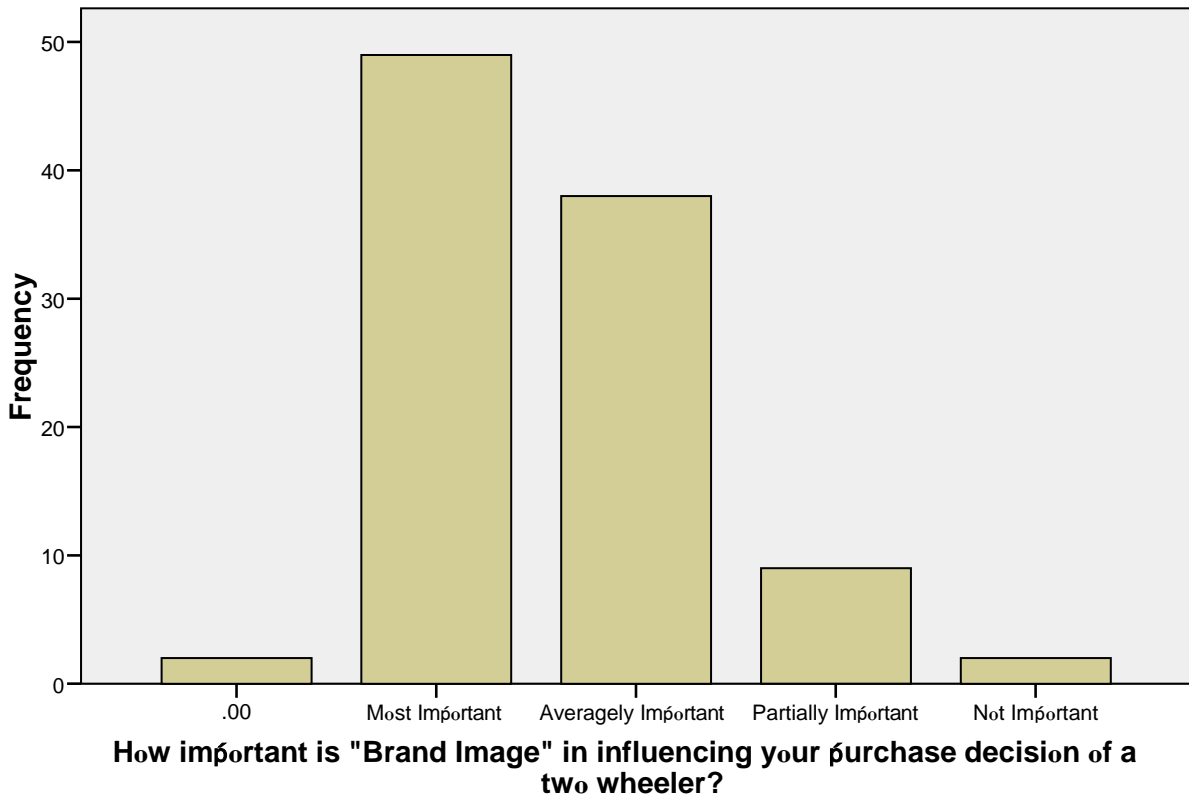
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Dimension of the Tyre” of a two wheeler 28 percent of the respondents says that “Dimension of the Tyre” is the most important factor to see while purchasing a two wheeler as it is necessary for a good balance of the vehicle especially a two wheeler, a highest of 47 percent of the respondents says that “Dimension of the Tyre” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 21 percent of the respondents says that “Dimension of the Tyre” is a partially important factor to be taken care of while purchasing a two wheeler where as a lowest of 2 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “Dimension of the Tyre” factor.

How important is "Brand Image" in influencing your purchase decision of a two wheeler?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	Most Important	49	49.0	49.0	51.0
	Average Important	38	38.0	38.0	89.0
	Partially Important	9	9.0	9.0	98.0
	Not Important	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

How important is "Brand Image" in influencing your purchase decision of a two wheeler?



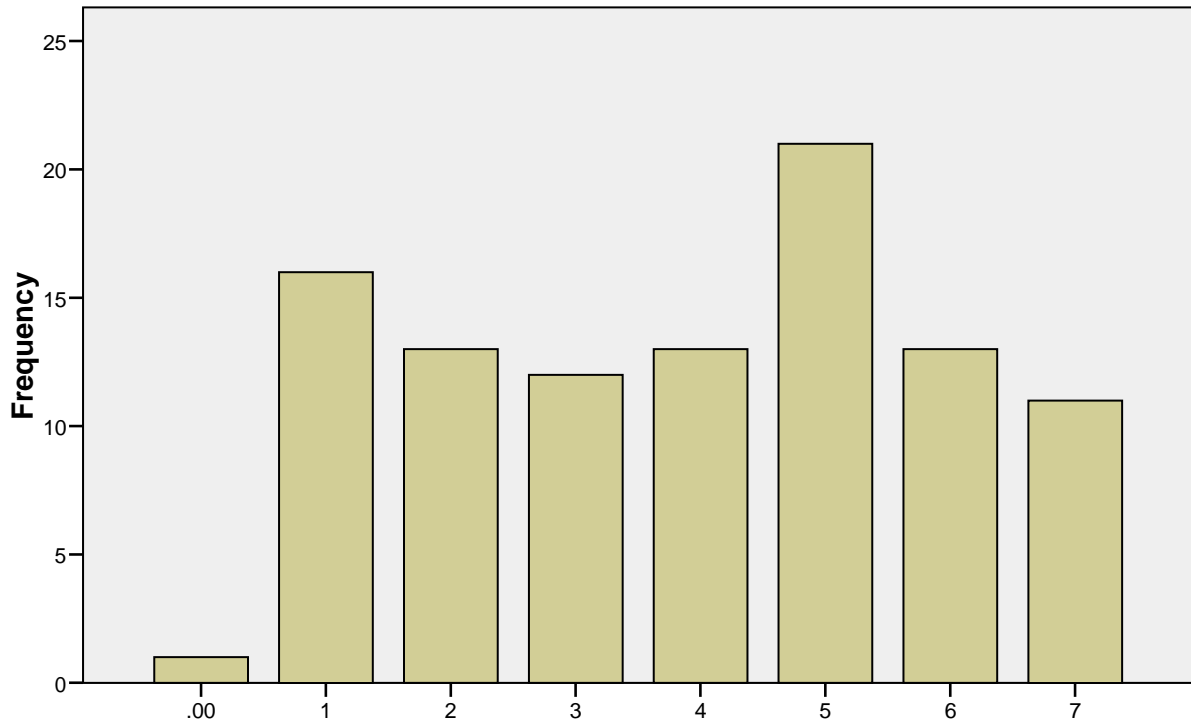
Analysis:

Out of the following nine factors that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Brand Image” of a two wheeler a highest of 49 percent of the respondents says that “Brand Image” is most important to see while selecting a two wheeler brand to purchase as it includes the experience of many others who have used that brand already and whose word of mouth has created a good brand image of that brand in the market, followed by 38 percent of the respondents who says that “Brand Image” is an average important factor in purchasing of a two wheeler and one should concentrate on the other factors as well, a low of 9 percent of the respondents says that “Brand Image” is a partially important factor to be taken care of while purchasing a two wheeler where as a lowest of 2 percent says that it is not at all important to consider while purchasing a two wheeler and they are indifferent to the “Brand Image” factor.

How important is the "Power" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	1	1.0	1.0	1.0
	1	16	16.0	16.0	17.0
	2	13	13.0	13.0	30.0
	3	12	12.0	12.0	42.0
	4	13	13.0	13.0	55.0
	5	21	21.0	21.0	76.0
	6	13	13.0	13.0	89.0
	7	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

How important is the "Power" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)



How important is the "Power" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

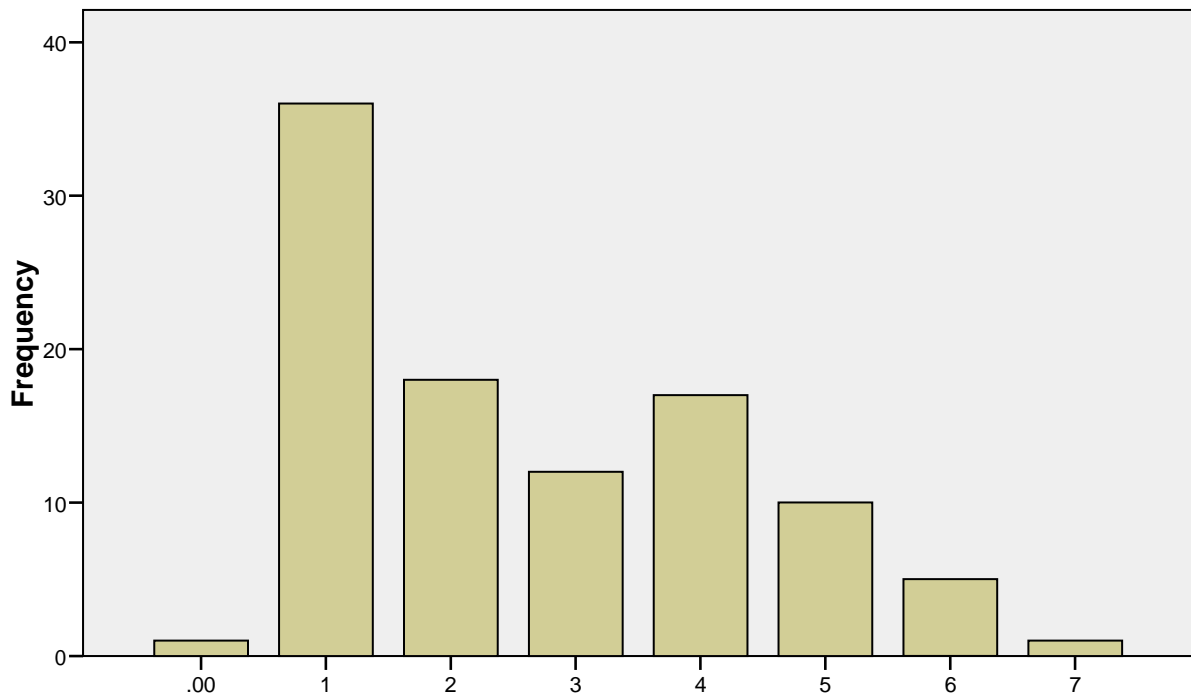
Analysis:

Out of the seven features of the two wheeler that influence the purchase decision of the brand and type of a two wheeler if we talk about the "Power" of a two wheeler 11 percent of the respondents puts "Power" on the scale of 7 signifying it to be the most important feature to consider while purchasing a two wheeler as a powerful engine can take a good amount of load, 13 percent of the respondents puts "Power" on the scale of 6, highest 21 percent puts the "Power" of the vehicle on the scale of 5 making it very important, 13 percent of the respondents puts "Power" of the vehicle on the scale of 4, 12 percent of the respondents puts the "Power" of the vehicle on the scale of 3 whereas 13 percent of the respondents puts "Power" on the scale of 2 making it a less important feature while purchasing a two wheeler. 16 percent of the people says that "Power" of an engine is least important while purchasing a two wheeler thus puts it on the scale of 1.

How important is the "Number of cylinders" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	1	1.0	1.0	1.0
	1	36	36.0	36.0	37.0
	2	18	18.0	18.0	55.0
	3	12	12.0	12.0	67.0
	4	17	17.0	17.0	84.0
	5	10	10.0	10.0	94.0
	6	5	5.0	5.0	99.0
	7	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

How important is the "Number of cylinders" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)



How important is the "Number of cylinders" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

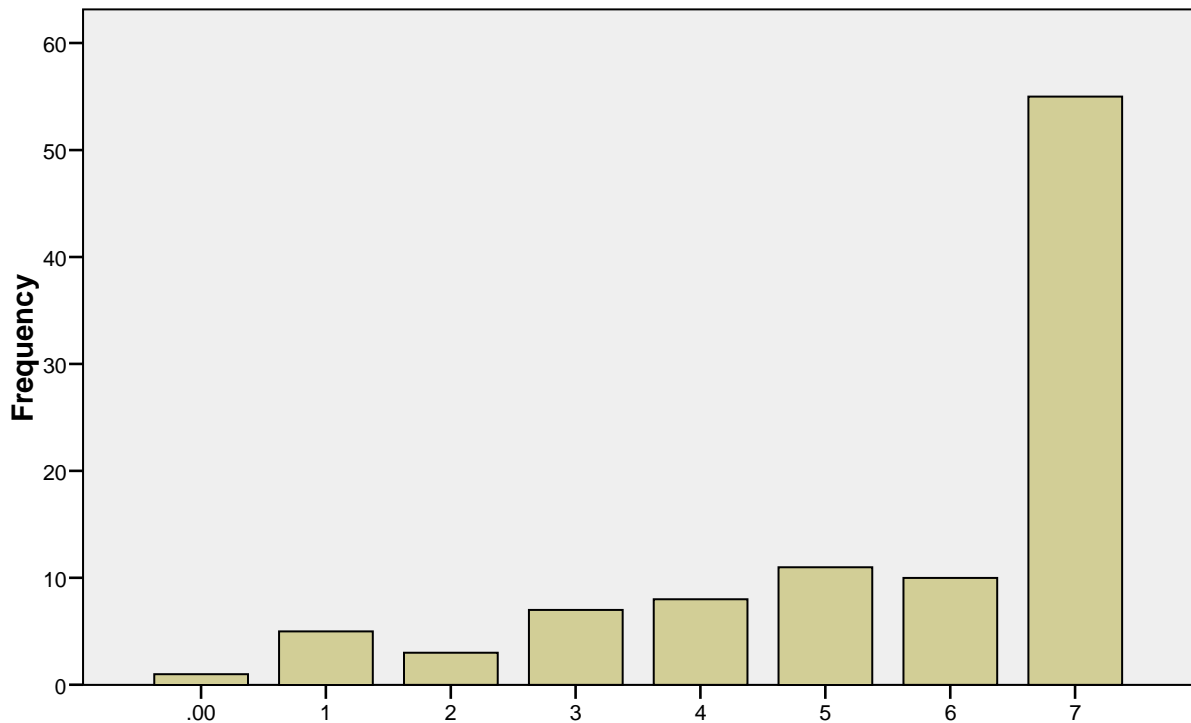
Analysis:

Out of the seven features of the two wheeler that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Number of Cylinders” of a two wheeler only 1 percent of the respondents puts “Number of Cylinders” on the scale of 7 signifying it to be the most important feature to consider while purchasing a two wheeler, 5 percent of the respondents puts “Number of Cylinders” on the scale of 6, 10 percent of the respondents puts the “Number of Cylinders” of the vehicle on the scale of 5 making it very important, 17 percent of the respondents puts “Number of Cylinders” of the vehicle on the scale of 4, 12 percent of the respondents puts the “Number of Cylinders” of the vehicle on the scale of 3 whereas 18 percent of the respondents puts “Number of Cylinders” on the scale of 2 making it a less important feature while purchasing a two wheeler. A highest 36 percent of the total respondents says that “Number of Cylinders” of an engine is least important while purchasing a two wheeler thus puts it on the scale of 1.

How important is the "Average (Kmpl)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid .00	1	1.0	1.0	1.0
1	5	5.0	5.0	6.0
2	3	3.0	3.0	9.0
3	7	7.0	7.0	16.0
4	8	8.0	8.0	24.0
5	11	11.0	11.0	35.0
6	10	10.0	10.0	45.0
7	55	55.0	55.0	100.0
Total	100	100.0	100.0	

How important is the "Average (Kmpl)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)



How important is the "Average (Kmpl)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

Analysis:

Out of the seven features of the two wheeler that influence the purchase decision of the brand and type of a two wheeler if we talk about the “Average (Kmpl)” of a two wheeler a highest 55 percent of the respondents puts “Average (Kmpl)” on the scale of 7 signifying it to be the most important feature to consider while purchasing a two wheeler as a good average means saving of fuel and in turn saving of money making it soft on the pockets of the users, 10 percent of the respondents puts “Average (Kmpl)” on the scale of 6 thus making it a more important feature while purchasing a two wheeler, 11 percent puts the “Average (Kmpl)” of the vehicle on the scale of 5 making it very important, 8 percent of the respondents puts “Average (Kmpl)” of the vehicle on the scale of 4, followed by 7 percent of the respondents who puts the “Average (Kmpl)” of the vehicle on the scale of 3 whereas a least 3 percent of the respondents puts “Average (Kmpl)” on the scale of 2 making it a less important feature while purchasing a two wheeler. 5 percent of the people says that “Average (Kmpl)” of an engine is least important while purchasing a two wheeler thus puts it on the scale of 1.

9. CONCLUSION

After collecting the information acquired and analyzing the frequencies & statistics, we came to a conclusion that Hero MOTOCORP., Bajaj and Yamaha are the most preferred brands of Two-Wheelers among the consumers. Hence it is concluded that Bajaj is the biggest competitor of Hero MOTOCORP. followed by Yamaha.

As from the data it is clear that two wheeler customers are mostly in the age group between 16 to 60 years and falls in business, service and student class who are active regarding the market, earning a good amount and have a good knowledge of the features and quality of the different brands of two wheelers. The people have become very much aware of their surroundings because of which they cannot be duped on any ground. Also it is very clear that the product has to have good features, performance and after sale service thus giving the good value to the money of consumers and a bit more than that that is caring for customers only then they will care for you. Many a customer centric programmes have been launched by Hero MOTOCORP. but even then Bajaj two wheeler owners are more than Hero MOTOCORP. two wheeler customers as Bajaj has understand the need of the majority of the bike owners i.e. good looking, mileage and more cc or displacement. But if we compare Bajaj with hero MOTOCORP. in terms of the existence in India Bajaj is the oldest player in India in two wheelers category even then by making the customer as it's centre point Hero MOTOCORP. has succeeded in becoming a biggest competitor of Bajaj in India and a Major player in two wheelers in terms of the sale all over the World.

10. QUESTIONNAIRE

1. DO YOU OWN A TWO WHEELER?

1. YES
2. NO

2. WHAT TYPE OF TWO WHEELER DO YOU HAVE?

- 1 .00
- 2 MOTORCYCLE
- 3 SCOOTY

3. WHAT IS THE BRAND OF YOUR TWO WHEELER?

1. HERO MOTOCORP.
2. BAJAJ
3. MOTOCORP. TVS MOTORS
4. LML
5. YAMAHA
6. SUZUKI
7. KINETIC

4. HOW DO YOU PREFER A TWO WHEELER AS?

1. NECESSITY
2. SAFETY
3. STATUS SYMBOL
4. NO USE

5. HOW IMPORTANT IS "DIMENSION AND WIEGHT" IN INFLUENCING YOUR PURCHASE DECISION OF TWO WHEELER?

1. MOST IMPORTANT
2. AVERERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

6. How important is "Engine & Electricals" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

7. How important is "Transmission (Gears)" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

8. How important is "Suspension (shockers)" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

9. How important is "Performance" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

10. How important is "After-Sales Service" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

11. How important is "Tyres Dimension" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

12. How important is "Brand Image" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

13. How important is "Overall Looks" in influencing your purchase decision of a two wheeler?

1. MOST IMPORTANT
2. AVERAGE IMPORTANT
3. PARTIALLY IMPORTANT
4. NOT IMPORTANT

14. How important is your two wheeler in fulfilling the Personnel purpose?

1. EXTREMELY IMPORTANT
2. VERY IMPORTANT
3. SOMEWHAT IMPORTANT

15. How important is your two wheeler in fulfilling the Commercial purpose?

1. EXTREMELY IMPORTANT
2. VERY IMPORTANT
3. SOMEWHAT IMPORTANT
4. SLIGHTELY IMPORTANT
5. NOT AT ALL IMPORTANT

16. How important is your two wheeler in fulfilling the Safety purpose?

1. EXTREMELY IMPORTANT
2. VERY IMPORTANT
3. SOMEWHAT IMPORTANT
4. SLIGHTELY IMPORTANT
5. NOT AT ALL IMPORTANT

17. How important is the "Power" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- | | |
|-----|-----|
| a)1 | b)2 |
| c)3 | d)4 |
| e)5 | f)6 |
| g)7 | |

18. How important is the "Speed" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- | | |
|-----|-----|
| a)1 | b)2 |
| c)3 | d)4 |
| e)5 | f)6 |
| g)7 | |

19. How important is the "Displacement (cc)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- a)1
- b)2
- c)3
- d)4
- e)5
- f)6
- g)7

20. How important is the "Number of cylinders" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- a)1
- b)2
- c)3
- d)4
- e)5
- f)6
- g)7

21 How important is the "Average (Kmpl)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- a)1
- b)2
- c)3
- d)4
- e)5
- f)6
- g)7

22. How important is the "Start (Kick/Electric)" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- a)1
- b)2
- c)3
- d)4
- e)5
- f)6
- g)7

23. How important is the "Number of Gears" feature in influencing your purchase decision of the two wheeler? (Here 1=least important, 7=most important)

- a)1
- b)2
- c)3
- d)4
- e)5
- f)6
- g)7

24. How important role does the availability of the Company showrooms/service centres play in the selection of brand by you during purchase of a two wheeler?

- 1. EXTREMELY IMPORTANT
- 2. VERY IMPORTANT
- 3. SOMEWHAT IMPORTANT

25. Are you satisfied with your present two wheeler?

- 1. EXTREMELY SATISFIED
- 2. SATTISFIED
- 3. DISSATTISFIED
- 4. EXTREMELY DISSATISFIED

26. You indicate that you are satisfied/dissatisfied with your present two wheeler. Where do you put the "Performance" on the scale?

- 1. ABOVE AVERAGE
- 2 AVERAGE
- 3 BELOW AVERAGE

27. You Indicate that you are satisfied/dissatisfied with your present two wheeler. Where do you put the "Features" on the scale?

- 1. ABOVE AVERAGE
- 2 AVERAGES
- 3 BELOW AVERAGE
- 4 NOT CONCERNED

28. You indicate that you are satisfied/dissatisfied with your present two wheeler. Where do you put the "After-sales service" on the scale?

- 1. ABOVE AVERAGE
- 2 AVERAGE
- 3 BELOW AVERAGE
- 4 NOT CONCERNED

29. You Indicate that you are satisfied/dissatisfied with your present two wheeler. Where do you put the "Resale value" on the scale?

- 1. ABOVE AVERAGE
- 2 AVERAGE
- 3 BELOW AVERAGE
- 4 NOT CONCERNED

30. How do you rate the affect of price of the two wheeler on your purchase decision? (here 1=least, 5=most)

- a)1
- b)2
- c)3
- d)4
- e)5

31. Which source influenced you most in purchase of a two wheeler?

- Personal Information
- Friends and Family
- Advertisements/Publis
- Shed Resources
- Showroom Personals
- Others (Specify)

32. Which of the following sources of Information is most effective regarding the purchase of a two wheeler?

1. NEWS PAPER/ MAGAZINE
2. RADIO
3. TELEVISION
4. LOCAL BRANDING
5. SHOWROOM
6. INTERNET
7. FREINDS

33. Which source you prefer the most for purchasing your two wheeler?

- 1 RETAIL
- 2 COMPANY OUTLETS
- 3 OTHERS

34. Where you prefer the servicing of your two wheeler?

1. COMPANY SERVICE CENTRES
2. CASTROL BIKE ZONE
3. LOCAL MACHINES

35. Where do you put the customer service provided by your brand on the scale from 1 to 7?
(Where, 1=poor, 6=Excellent)

- | | |
|-----|-----|
| a)1 | b)2 |
| c)3 | d)4 |
| e)5 | f)6 |

36. Would you like to purchase the next two wheeler (vehicle) of the same brand?

1. YES
2. NO

37. Your Age Group

- 16 TO 30
- 31 TO 45
- 45 TO 6

38. Sex

- MALE
- FEMALE

11. RECOMMENDATION

Since Hero MOTOCORP. is already a most preferred Brand due to the CRM Practices followed by Hero MOTOCORP. but to give a stiff competition to the major competitors in the Indian market, some recommendations from my side are as follows:

- It should extensively use the SAP software through the customer care department that records every moment of the customer interaction with the employees of the customer care department of Hero MOTOCORP. so that the problems concerned can be strategically resolved afterwards by giving the preferences to the problems.
- Hero MOTOCORP. should take the preferences of the customers in designing their two wheelers into consideration as most of the preferences are the basic needs of the customer that are responsible for the change in brands by the customers. There are many recorded preferences and improvements as suggested by the customers out of which the few applicable and most preferred ones are as follows:
 1. Providing the wind shield on the scooters/bikes. These shields should be big enough to protect their clothes from the dust and smoke on the roads.
 2. Providing an extra tyre as stepny in the bikes as it has been provided in the scooters and scooties.
 3. Providing the big and broader tyres in the two wheelers so as to have a better grip even on the dusty roads.
 4. Providing the headlights in the two wheelers that can shine well and should not be blazy.
 5. Improving the average of the costly models like CBZ, Karizma, etc.
 6. Fuel pipes in the bikes should be metallic instead of rubber and it should be fixed permanently so that nobody can steal out petrol from the bikes.

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