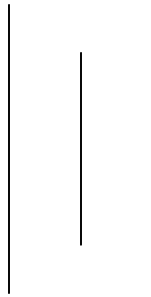
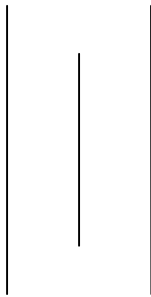


**SALES & MARKETING POLICY
Of
TWO WHEELERS IN DHARAN**



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**A Thesis submitted to:
Office of the Dean
Faculty of Management, Tribhuvan University
In partial fulfillment of the requirement of Master of Business Studies
(M.B.S)
Dharan, Nepal**

2066

Tribhuvan University
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RECOMMENDATION

This is to certify that, the thesis,entitled “Sales and Marketing Policy of Two Wheelers in Dharan” submitted by Master Rabindra Thapa has been approved by this department in the prescribed format of the faculty of management.This thesis is forwarded for examination.

Member of Research Committee

Name:

Signature:

Head of the Research Department

Name:

Signature:

.....
Campus Chief

Date:

VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by Master Rabindra Thapa entitled “**Sales and Marketing Policy of Two Wheelers in Dharan**” and found his work original and as per the prescribed format. We recommend the thesis for the acceptance as the partial fulfillment of the requirement of Master’s Degree in Business Studies (M.B.S).

Viva-Voce Committee

Chairperson, Research Committee :

Member (Thesis Supervisor) :

Member (External Expert) :

Date:

Foreword

This dissertation entitled “**Sales and Marketing Policy of Two Wheelers in Dharan**” is prepared to meet the requirement of the course of Master of Business Studies prescribed by the faculty of management, Tribhuvan University. The study aims to analyse the sales and marketing policy of two wheelers in Dharan especially in 125 c.c capacity model. A thorough study has been made on the topic to specify the true results. For the convenience, the study is classified into different headings and sub headings.

The task would not be possible without those who always stood by me when I needed them. I'm very much glad to receive incessant help and support from my respected teachers, friends and seniors. My very special thanks and a heartfelt gratitude goes to the honourable teacher as well as my instructor Mr Khagendra Adhikari, Lecturer, Mahendra Multiple Campus Dharan for being always with me during the work. I'm also very much thankful to the dealers of two wheelers in Dharan, Gajurmukhi traders (Yamaha), Annapurna traders (Hero Honda) and Sinhal Brothers (Bajaj) for providing me the relevant datas and informations. I also admire my brother Dipendra Thapa for handling all the computer tasks.

At last but not the least, I would like to express my thanks to Bhupraj sir, a member of the administration department, my colleagues Mr Tej Prasad Pokhrel, Mr Santosh Trital and Mr Hem Raj Adhikari for their wonderful co-operation.

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Rabindra Thapa

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CHAPTER-ONE

INTRODUCTION

1.1 Introduction:

Business in the present context seems to be one of the most belonging factors to man which satisfies his entire desires and needs. Infact it is emerging as a distinct and inseperable component in our life.No wonder,if it is said that it has a remarkable contribution in the formation of more civilized and convenient life style.When we get along with this topic,it would'nt be fair if we undermine its vital components.Production,distribution,advertising,selling or '**marketing**' as a whole is the indispensable component of the business without which we can't imagine about it.Production and consumption are the two opposite but complementary ends in business.It is so because consumption is impossible without production and production is meaningless without consumption.Thus,goods and services are constructed for the satisfaction of human wants.But,the commodities that are produced by the business organizations do not actually gain the consumer's acceptance until some persuading or influencing efforts are applied.To be more precise,competition among the brands of similar products,consumer's tastes & preferences,product performance,media influence etc affect the final sale of the product.These forces are also taken as threats by the business organization which according to them create barriers in the successful dealing of the commodities in the market.Consequently,a division is established in every manufacturing organization which endeavours to counter the emerging threats in the market.The division is popularly known as marketing division.This division basically concentrates on gaining highest market share through the promotion of consumer's acceptance or brand loyalty.Proper analysis of sales and devise of appropriate marketing policy helps to draw better results.

The forwarded proposal tries to focus on the sales and marketing policy analysis of two wheelers in Dharan. So, far as the topic is concerned, it refers to one of the vehicles with two air tight wheels and a petrol motor engine that facilitates quick and comfortable travel to office or to execute some personal purposes of an individual/professionals. In the present context of Nepal, the number of professionals is increasing at a higher rate. Their busy schedules at office and their family responsibilities always demand time which becomes very difficult for them to manage. So, they take two wheelers as the alternative to cope with the time problems. Currently we find larger selling of motorbikes in the market among different user groups viz professionals, non professional youths and so on. Different multinational companies are supplying wide varieties of two wheelers in the market considering the increasing demand for it. Some among the consumers are attracted towards comfortable & economical design whereas some are found extremely crazy about sporty design irrespective of higher prices and lower mileage. However, this study tends to examine the different marketing variables.

1.2 Statement of the problem:

Competition in the case of two wheelers has enforced the marketers to adopt varieties of marketing tools and techniques in the market place. The manufacturers offer distinct features in terms of design & looks, color, capacity, efficiency, price, service etc. These differences enhance competition among different brands. Besides these, media advertisement also influences to a large extent. So, proper media selection is also a factor to consider.

Additionally to meet the problems through this study, it is thought essential to mention the data related to quantity sales of two wheelers in Dharan with regards to (Yamaha, Hero Honda & Bajaj) in 125 c.c capacity models.

Annual sales of Yamaha- 125c.c

Year	Sales Qty	Average Price	Sales Amount	Remarks
2005	31	1,17,700	36,48,700	
2006	46	1,27,200	58,51,200	
2007	62	1,30,400	80,84,800	
2008	97	1,39,900	1,35,70,300	
2009	105	1,52,900	1,60,54,500	
2010	26	1,53,900	40,01,400	Past two months

Source:GajurmukhiTraders,Dharan8(Dealer)

Annual sales of Bajaj-125c.c

Year	Sales Qty	Price	Sales Amount	Remarks
2005	25	1,16,800	29,20,000	
2006	32	1,22,800	39,29,600	
2007	38	1,25,900	47,84,200	
2008	45	1,29,900	58,45,500	
2009	25	1,26,900	31,72,500	
2010	15	1,26,900	19,03,500	Past two months

Source:Sinhala Brother's,Dharan-7(Dealer)

Annual sales of Hero Honda-125c.c

Year	Sales Qty	Price	Sales Amount	Remarks
2005	14	99,900	13,98,600	
2006	21	1,10,700	23,24,700	
2007	32	1,17,900	37,72,800	
2008	39	1,23,900	48,32,100	
2009	42	1,34,900	56,65,800	
2010	19	1,41,950	26,97,050	Past two months

Source: Annapurna traders.Dharan-8(Dealer)

The following core subjects are considered to prevail in the marketing sectors of two wheelers in Dharan. Marketers seek responses to the cases highlighted below:

1. What are the consumer's perception about two wheelers in 125c.c model in Dharan ?
2. What is the demand of 125c.c two wheelers in Dharan ?
3. What is the consumer's behaviour pattern in case of two wheeler in Dharan ?
4. What is the choice of consumers about two wheelers ?
5. Which is the popular media of advertising the two wheelers in Dharan ?
6. What is the estimated sales of two wheelers in Dharan ?

1.3 Objectives of the study:

As the study focuses on the sales & marketing policy analysis of two wheelers in Dharan, the main purpose or objectives of it are cited below under two categories.

A. General objectives:

- ❖ To observe the current sales trend of two wheeler motor bikes in Dharan.
- ❖ To study and examine the consumer's perception on consumption of motor bikes in Dharan.
- ❖ To analyse the marketing concept of two wheeler dealers in Dharan.

B. Specific objectives:

- ❖ To analyse and examine the potential consumers of two wheelers in Dharan.
- ❖ To identify the consumer's choice and loyalty towards particular brand.

- ❖ To find out,how do the consumers make buying decision.
- ❖ To estimate the demand of two wheelers in Dharan.
- ❖ To present the analysis of data regarding sales of two wheelers in Dharan.
- ❖ To examine the dealer's marketing approach(i.e in terms of sales promotion and advertising)
- ❖ To evaluate after sales services of the companies and it's impact on the demand of the product.

1.4 Significance of the study:

According to American Marketing Association, "Marketing is the process of planning and executing the conception,pricing promotion and distribution of ideas,goods and services to create exchanges that satisfy individual and organizational objectives." Here,the process involves planning and implementation of the marketing activities which fulfills the needs of an individual as well as meets the organizational goal i.e profit and long term survival .Infact marketing plays a significant role in the increasement of sales revenue through the continuous &undivided customer loyalty towards a product.Today's product development process is so well guided by marketing policies and action.Conception,promotion, product differentiation,product positioning,pricing etc are all undertaken as important steps in manufacturing organization which fall under the marketing concept.Besides this,currently operating business organizations adopt environment friendly manufacturing system with greater respect for consumer rights.This reflects societal marketing concept.In totality, this study attempts to produce results which depict the overall picture of sales and marketing techniques implied in the organizations.

The study also aims to identify the problems and recommends some suggestions as a way to find out the appropriate solution. It proves to be a supportive document to the researchers, marketers, producers, dealers, distributors, retailers, readers and those who find it useful and necessary.

1.5 Limitations of the study:

“Sales and marketing policy analysis of two wheelers in Dharan” in itself is a vast topic which requires adequate supply of necessary data & references. But there are only few sources to meet the requirement. Journals & articles about the topic have not been published so far. That is why the study is based on the numerical data and figures supplied by the dealers and personal interviews conducted among the related individuals. Some specific limitations are presented below:

- ❖ Lack of adequate resources.
- ❖ Limited coverage area. (i.e. only Dharan)
- ❖ Based on sample study; therefore the findings cannot be generalized to the whole population.
- ❖ Consumer's and dealer's opinions shared during the interviews might not be realistic.
- ❖ Past year's data supplied by the dealers/distributors might have been wrong or inaccurate; because there is a chance of losing the records due to storage problems.

1.6 Organization of the study:

The study, i.e. the thesis on “Sales and Marketing Policy of Two Wheelers in Dharan” is a well-organized literature which facilitates proper understanding about the subject. It includes five chapters that are explained below in brief.

Chapter-One: Introduction

Introduction chapter is related to the introductory part of the study. In this chapter introduction, statement of the problems, objective of the study, limitation of the study and organization of the study are included.

Chapter-Two: Review of literature

This chapter presents a detail review of literature related to the consumer behaviour.

Chapter-Three: Research Methodology

The data collection methods followed in the research study is described in this chapter. It also includes research design, sources and procedures of data collection etc.

Chapter-Four: Presentation and analysis of data

This chapter presents a systematic and analytical overview of the collected data and informations.

Chapter-Five : Summary, Conclusion and Recommendation

The chapter contains summary of the study, conclusion and recommendations based on the findings of the research.

At the end of the study, selected reference or bibliography and related appendices are presented.

CHAPTER-TWO

2.1 Review of literature

Decision making is one of the regular activities that are performed by us. We choose the best one out of several alternatives or options. This process is generally

known as decision making. Consumer's as the decision makers view the offered products differently and then only decide to purchase or avoid the product. Their intentions about the purchase and their final choice may not be similar. It is because there is a probability of certain influence on a consumer which can twist his purchase decision. This is what makes consumer behaviour an inseparable subject of the study in a manufacturing organization. This research study also concentrates on consumer behaviour aspect which is reflected in different ways.

According to J.C Mowen "Consumer behaviour is the study of the decision making units and process involved in acquiring, consuming and disposing off goods, services, experiences and ideas."

This definition uses the term "Decision making units" to include the behaviour of individuals and groups as well. It views consumer behaviour as a process of acquisition, consumption and disposition of products. During the acquisition phase, it analyses the factors that influence the product choice of consumers. It includes the study of the process through which consumers become aware of their needs and products that can satisfy them through the evaluation of the products in terms of end benefits and purchase actions. During the consumption phase, it analyses how the consumers actually use a product and the experiences the consumer obtain from such use and in the disposition phase, it studies what consumers do with the product once they complete its use.

However, this study is also forwarded considering the fact that consumers are the vital components for the successful trading of a commodity. It is often believed that consumer is the king. King in the sense, consumer should be let independent to decide or comment on a product. If the consumers favour a product, there would be no or less effect of the competition. Survival of business becomes easier which ultimately gives successful results to the organization. In general such favour or

acceptance of particular product continuously for a long time is termed as 'Brand Loyalty.' Brand loyalty is also a temporal aspect of consumer behaviour.

The study identifies the sales quantity of different brands and also draws conclusion regarding the brand selection by the consumers and their loyalties upon the selected brands. It is believed that, the study on brand loyalty began when the researches on the consumer behaviour became popular during 1950's and early 1960's. Nowadays branding of a product is given higher priorities by the manufacturers. Product differentiation strategy of the marketers has become quite convenient after the branding of a commodity. Consumers keep informations about the products in terms of brand names. The increasing use of brand has significantly raised the need to understand the brand loyalty behaviour of consumers. Marketers want to gain largest market share which needs consumers support at large. Regular users rather than occasional users are important for the marketers which can assure sound health of the business not only in the short run but also in the long run. In other words brand loyalty of consumers over a product gives protection as well as growth to a manufacturing organization. Consumer's loyalty pattern towards a brand or store is also a method of segmenting the market.

According to loyalty segmentation the consumers are classified into the following four categories:

i. Full or undivided loyalty:

Consumers who buy one brand all the time belong to this category. For eg. if a consumer buys brand A in all purchase occasions, the loyalty pattern will take the shape of: AAAAAA.

ii. Divided loyalty:

Consumers who are loyal to two brands show the loyalty pattern of ABABAB.

iii. Shifting loyalty:

Consumers who shift their loyalty from one brand to the other show the loyalty pattern of AAABBB.

iv. No loyalty:

The group of consumers who constantly switch from one brand to the other show the loyalty pattern of ABCDEF.

Using these loyalty segmentation procedures, George Brown analysed the purchase items such as coffee, orange juice, soap and margarine and found that the percentage of households demonstrating some degree of loyalty varied from 5% to 95% depending upon the product involved. In fact the percentage of households with undivided loyalty varied from 12% to 73% in accordance with the products. From this study it is obvious that brand loyalty exists in accordance with the product. The contribution made by this study for development of the concept of brand loyalty is considered significant. In place of brand choice sequence, Leaster Guest used preference statement over time as a measure of brand loyalty in his study carried out in 1941. In 1941 he collected data concerning the brand awareness and preferences of students. In follow up studies on some persons 12 and 20 years later he found suggestive evidence of high degree of loyalty towards brand names. Guest's findings of suggestive evidence of high degree of loyalty towards brand name gives more weight to the need of understanding brand loyalty behaviour. According to preference statement approach, brand loyalty is measured on the grounds of preference expressed by the consumers to a particular brand over a period of time. But preference statement alone is not real representative of brand loyalty. What the consumers do in the actual purchase is also of equal importance which affects it.

Brand loyalty is the proportion of total purchases within a given product category devoted to the most frequently purchased brand or set of brands. This definition employs the proportion of purchase as a measure of brand loyalty. In other words, according to this definition the greater the proportion of purchase of a brand or a set of brand, the higher is the loyalty.

The proportion of purchase is quantifiable and therefore, is useful in a wide variety of mathematic models which is the major advantage of it. The followers of purchase definition of brand loyalty have used it both as conceptual as well as operational definition. Using this definition of brand loyalty Cunningham developed the concept of multi brand loyalty in various forms such as dual brand loyalty, triple brand loyalty and so on.

Blat Berg and Sen have extended the proportion of purchases approach to segments that are loyal to national or private brands as a category as well as specific brands within each of those categories. One segment of the population they found to be 'High National Brand Loyal' and found that the proportion of purchase devoted to the favourites brand ranged from about 80% to 100% with this segment. Brand loyalty must be defined differently in case of a loyal buyer and a spurious loyal buyer. If the marketers treat both types of buyers alike they cannot obtain the desired results because there is a vast difference between spurious loyal buyers and loyal buyers. The spurious loyal buyers lack any attachment to brand attribute and hence they can be immediately captured by another brand that offers a better deal, a coupon or enhanced point of purchase visibilities through displays and other devices. Brand loyalty is something more than repeat purchase. To be truly brand loyal a consumer must hold a favourable attitude towards a brand in addition to repetition on purchase. In fact the purchasing pattern and attitudinal factor depict the real picture of brand loyalty. In other words, brand loyalty can be better

measured by both consumer purchase and consumer preference rather than the more purchase of consumer. 'How does the brand loyalty develop' has occupied an important place in the literature on brand loyalty. However, the researchers have not the same attitude on the development of brand loyalty. Behavioural scientists who favour the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction leading to repeat purchase. Consumer purchase a particular brand as trial and if the trial satisfies his need for what he purchases the product, makes him repeat the purchase of the same brand. Thus the brand loyalty is also taken as the outcome of the mental process of the consumer. The consumers are not loyal to a brand simply because the brand satisfies their need, but they are loyal to a specific brand or a set of brands because they have developed a positive attitude towards that brand.

Thus researches reveal that the brand loyalty develops early in the life of a person and such loyalty has a long lasting effect in the whole life of the person. However, it may not be true in all the cases. The modern world is characterized by a fast change. Most of the people who are keeping pace with this world are supposed to change their behaviour with time. The different factors in the environment in which they live have an impact on their behaviour. Hence it is not hundred percent correct that the impact of brand loyalty develops at a certain age of life but it can also be experienced anytime in anyone's life. Manufacturers always like to capture the market by their own brands. The understanding of brand loyalty to him is necessary to make a production plan and employ control mechanism to avoid future difficulties. Thus knowledge of brand loyalty is an important requirement in the marketers.

Today branding is such a strong force that influences consumer behaviour. For instance, salt is packed in special containers, oranges are stamped with grower's

name, automobile components; spark plugs, tyres, filters, etc bear specific brand name.

In short, knowledge of brand loyalty makes the manufacturers aware of probable progress and gives precaution to avoid any adverse situation likely to prevail in the future.

2.2 Brand Switching:

Brand switching means consumer's habit of constantly shifting from one brand to another. Thus brand shifting is opposite to brand loyalty. A brand loyal consumer is attached to a specific brand or a set of brands. The buyer who is habitual to brand switching is loyal to no brand. Knowledge about the reason of consumers' involvement in brand switching behaviour is very important for complete understanding of brand loyalty behaviour. Philip Kotler presents many cases of occurrence of brand switching behaviour. For instance, he presents an example of cookies consumer. The consumer first chooses a brand of cookies without instant evaluation. But next time, the same consumer may choose another brand as a consequence of boredom or a wish for a different taste. So, it is obvious that brand switching is undertaken also due to the reasons other than dissatisfaction. Similarly attitude or concern also causes brand switching sometimes. For eg. if a consumer is price cautious, a slight fall in price can easily attract him/her which results instant brand switching. But research studies on brand switching reveal that brand switching is not very much threatening factor to a manufacturer. A recent study on consumer purchase habit reported that brands with larger market shares have proportionately larger group of loyal buyers.

However, sales promotion strategy of the competitors such as special price deal, coupons, free samples etc can have sudden declining impact on the brand loyalty. Thus some interpersonal factors such as dissatisfaction, monotony, price

consciousness and aspiration for testing new brands cause brand switching. Similarly some external factors like special price deal, coupons, free samples and competing advertising may cause brand switching. But in these cases there is a chance of returning back to the previous brand when the above strategies are curtailed.

2.3 Brand Loyalty Models:

A wide varieties of models have been employed as an attempt to understand and predict brand loyalty behaviour. Brand loyalty models analyze brand loyalty behaviour of the consumer. They identify factors affecting loyalty behaviour and predict how such factors are likely to affect the behaviour in the future.

The models that are employed to analyze the brand loyalty behaviour are stochastic in nature. It predicts behaviour on the basis of probabilities. In fact, the stochastic models treat the response of the consumer in the market place as the outcome of some probabilistic processes. The models recognize that there are many factors such as consumer variables and exogeneous variables that determine the outcome of the behaviour. Even though these variables are not measured or explicitly included in the model, they are represented by probability distribution.

Some of the models that are treated very important and are widely used are reviewed here in the chapter.

2.3.1 Bernoulli Model:

According to the Bernoulli model, the consumer is supposed to have constant probability of purchasing the brand under study. Probability of purchasing the brand is determined from aggregate brand choice data. The model also assumes that the factors like consumers' characteristics, prior purchase or all external influences etc, have no effect on the probability.

For example : let the brand under study be 'A',all other brands be 'B' and the probability of purchasing the brand 'A' at a purchase occasion 'T', $P(AT)$ is determined from aggregate brand choices between A&B.Determining the probability of purchasing a particular brand from aggregate brand choice data however,recognizes that,certain anticipated or unanticipated circumstances such as limited number of brands available in the store,special or out of stock conditions may have effect on the probability.For example,if the brand under study is available in many stores,then the probability of buying that brand may be greater on the consumers who purchase that brand.

There are several variations of the basic Bernoulli model.Although these variations have explicitly considered the heterogeneity in the population,yet they have not abandoned the assumption made by the basic model,i,e the past purchases have no effect on the present or future purchase probability.

The following table shows consumers' beliefs about how each of brand rates on different kinds of attributes.Philip Kotler presented the consumers' brand belief about computer.

A Consumer's brand belief about Computer

Table no-2.1

Brand	Memory Capacity (40%)	Graphics capability (30%)	Software availability (20%)	Price (10%)
A	10	8	6	4
B	8	9	8	3
C	6	8	10	5
D	4	3	7	8

Source: Philip Kotler,Marketing Management

In the above table brand 'A' possesses memory capacity of 10 on 10 point scale, graphics capability 8, software availability 6 and price 4. Similarly other three brands are rated on these attribute basis.

It is obvious that if one computer dominates the other in all the criterias, we can easily predict that the same i.e the dominating one is chosen by the consumers. But if none of the brand dominates the other it becomes difficult to predict. For example: in the above case, if a consumer wants best memory capacity then brand 'A' is preferable. Similarly if a consumer wants a computer with best software availability, then brand 'C' is preferable and so on. In some cases consumers also assign weightage on each attribute in order to make a rational purchase decision.

Suppose a consumer assigns 40% importance to the computer's memory capacity, 30% to the graphics capability, 20% to the software availability and 10% to its price. Now, to find the consumer's perceived value for each computer, the weights are multiplied by the beliefs of consumer about each computer. This leads to the following:

$$\text{Computer 'A'} - 0.4(10) + 0.3(8) + 0.2(6) + 0.1(4) = 8.0$$

$$\text{Computer 'B'} - 0.4(8) + 0.3(9) + 0.2(8) + 0.1(3) = 7.8$$

$$\text{Computer 'C'} - 0.4(6) + 0.3(8) + 0.2(10) + 0.1(5) = 7.3$$

$$\text{Computer 'D'} - 0.4(4) + 0.3(3) + 0.2(7) + 0.1(8) = 4.7$$

Thus the reliable prediction is that, the consumer favours computer 'A'. This model is called expectancy value mode of consumer choice. It is one of the several possible models describing how consumers evaluate alternatives.

2.3.2 Markov Model:

Markov model assumes that past purchases influence the probability of current purchases. Many models have been built up on this assumption and they are all known as Markov model.

The first order Markov model analyzes the impact of short term learning on the purchase probability. This model assumes that the outcome of last purchase decision affects the brand choice probability in the next trial. The model can be better illustrated by a product category having three brands. Let us suppose the following probabilities representing brand choice behaviour of consumers in a place:

Brand choice of the consumers

Table no: 2.2

Last Purchase	Next Purchase		
	A	B	C
A	0.80	0.10	0.10
B	0.10	0.60	0.30
C	0.30	0.30	0.40

Source: Markov model, brand loyalty

The probabilities stated in the table above or the transitional matrix given above show that, the brand purchases in the last deal exerts greater influence on the probabilities that are applicable in the next purchase. That is if 'A' was bought in the last purchase, it is almost certain that the next purchase will be the same. If a consumer purchases brand 'A' during a certain period of time, then there is 80% probability that he will buy the same again in his next purchase which is only 10% in case of brand 'B'. Similarly, if the same consumer purchases brand 'B' in place of brand 'A' in the last purchase then his chance of buying brand 'A' in the next

purchase is 10% and that of buying 'B' and 'C' is 60% and 30% respectively. The transitional matrix mentioned above, which the Markov model assumes to be stationary, can be used to predict the future brand share values for A, B and C.

However, there are some weaknesses in the model that are pointed out by the experts in several grounds. They have challenged the assumptions such as stationary transitional matrix, first order, population homogeneity etc and have developed other models following the basic principles of Markov model.

2.3.3 New Trier Model:

This model was developed by David A. Akar to present the behaviour of a consumer who purchases a new brand. New brand here implies the brand that is not used before by a consumer. The model also undertakes the consumer who repeats the purchase due to the poor memory about the past purchase.

According to this model, there is a trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of the consumer's experiences relating to that brand in the trial period. The trial period is thus considered to be the decisive period which guides a consumer to decide among purchase or rejection of the brand purchased in an initial period.

Thus the new trier model assumes that past purchase does not affect the present or future purchase probability. The probability of purchase is not stationary i.e. it varies from consumer to consumer.

2.3.4 Probability diffusion model:

The probability diffusion model was propounded by David Montgomery. According to this model, an individual's response on probability is non stationary and thus varies from consumer to consumer. Thus the mechanism of the probability diffusion model is, to some extent, related to the Markov model.

Above we reviewed some widely used brand loyalty models based on the principle of stochastic models, these models therefore cannot be free from the problems. All the stochastic models of brand loyalty that are stated above are primarily applied to the products that are frequently purchased and relatively low priced. These models avoid the use of multi brand loyalty and neglect the changes in stochastic process. Similarly, the effects of heterogeneity and non stationery are quite confusing in the models.

Moreover, the models demand actual purchase data that is not always available. Thus it seems that these models still need some modifications or improvements for their effective use in accurate predictions of brand choice behaviour.

CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Introduction:

The objective of this study is to examine the motives behind the acquisition of two wheelers i.e Yamaha, Bajaj and Hero Honda by the consumers mainly in Dharan. Two wheelers are normally categorized under the luxurious items by the government of Nepal. In this study, the necessary and relevant data are collected from the sample consumers and dealers. The study follows a research methodology which is described below.

3.2 Research Design:

This study specifies the procedures for collecting and analyzing the data and making decisions on the availability of the information. A survey research design is followed to gather relevant information which supports the study to a larger extent. The study also reveals some exploratory cases due to the absence of prior study on this topic in Dharan. Thus exploratory research design has also been followed by the study.

3.3 Sampling Plan:

The sampling plan involves the specification of decisions on the population, sampling frame, sampling unit, selection of sampling methods and determination of sample size. All of these are shortly explained below:

3.3.1 The population of this study:

It consists of all buyers and sellers of two wheelers i.e potential consumers and distributors in Dharan. The population is defined in terms of elements, sampling unit

extent, and time as follows:

Element : Sales quantity & Price of two wheelers in Yamaha,Bajaj and Hero Honda brand.

Sampling unit: Dealers,Distributors and consumers.

Extent : Dharan

Time : From February 1,2010 to February 29, 2010.

3.3.2 Sample size:

The sample size of eighty consumers and three dealers is taken into account for the purpose of survey.

3.4 Sources of data:

Both the primary and secondary source of datas are used in the study.Consumers and dealers are taken as the primary source of data who are supplied the questionnaires to make response with the answers.Similarly,sales reports, accounting records,publication and other valuable report documents are taken as the secondary source of datas.

3.5 Data processing and tabulation:

Relevant datas are collected from the field survey of Dharan for the study of the subject.Descriptive analysis,comparative analysis and inferential analysis techniques are used for summarizing and comparing datas and informations.The study also uses analytical tools such as tabular and graphic presentations, percentages,averages and so on.

3.6 Limitations:

“Sales and marketing policy analysis of two wheelers in Dharan” in itself is a vast topic which requires adequate supply of necessary data & references. But there are only few sources to meet the requirement. Journals & articles about the topic have not been published so far. That is why the study is based on the numerical data and figures supplied by the dealers and personal interviews conducted among the related individuals. Some specific limitations are presented below:

- ❖ Lack of adequate resources.
- ❖ Limited coverage area.(i.e only Dharan)
- ❖ Based on sample study;therefore the findings cannot be generalized to the whole population.
- ❖ Consumer’s and dealer’s opinions shared during the interviews might not be realistic.
- ❖ Past year’s data supplied by the dealers/distributors might have been wrong or inaccurate;because there is chance of losing the records due to storage problems.

CHAPTER-FOUR

DATA PRESENTATION AND ANALYSIS

This chapter deals with the analysis and interpretation of data collected and obtained by using the research methodology discussed in the earlier chapter i.e. chapter three. Data are analysed both in descriptive as well as comparative form. Use of necessary tables, graphs, charts tables etc have played significant roles in reaching a concrete conclusion.

Data are obtained from both secondary and primary source. Reports, publications sales reports and accounting records supplied by the distributors are the secondary source of data whereas interviews and questionnaires are taken as the primary source of data. The study has been able to find out the facts about the sales of 125 c.c two wheelers in different brands in Dharan, rider's choice and preference regarding the brand, loyalty pattern, reasons for selecting a particular brand and so on. The study takes 80 consumers as the sample size out of the population in the course of the survey. Various kinds of analysis are conducted on different criteria that are described below:

4.1 Rider's choice in age group basis:

Age group is considered as an important variable which affects the sales and marketing attractiveness to a large extent. It creates differences in choice and preference about a product. Choice among the color, style design, weight, efficiency etc is affected by age. For example: A 20 years running young rider gives greater attention towards a sporty and attractive design rather than the simple one.

A table which is presented below shows the consumers' choice of 125 c.c two wheeler in age group basis:

Rider's choice in age group basis

Table no: 4.1

Age	No of users Yamaha		No of users Bajaj		No of users Hero Honda		No of users Others		Total
	No	Percent	No	Percent	No	Percent	No	Percent	
18-25	5	25%	5	25%	7	35%	3	15%	20
25-40	11	36.67%	7	23.3%	9	30%	3	10%	30
40&above	13	43.33%	6	20%	7	23.33%	4	13.33%	30
Total	29		18		23		10		80

Source: Field Survey

In the above table, out of 20 consumers between (18-25) age group, 25% prefer Yamaha, 25% prefer Bajaj, 35% Hero Honda and 15% prefer others.

Thus it is obvious that the Highest preference by the age group (18-25) is given to Hero Honda's 125 c.c motorbike and equal (i.e 25% on each) is given to Yamaha and Bajaj & 15% preference is given to the others.

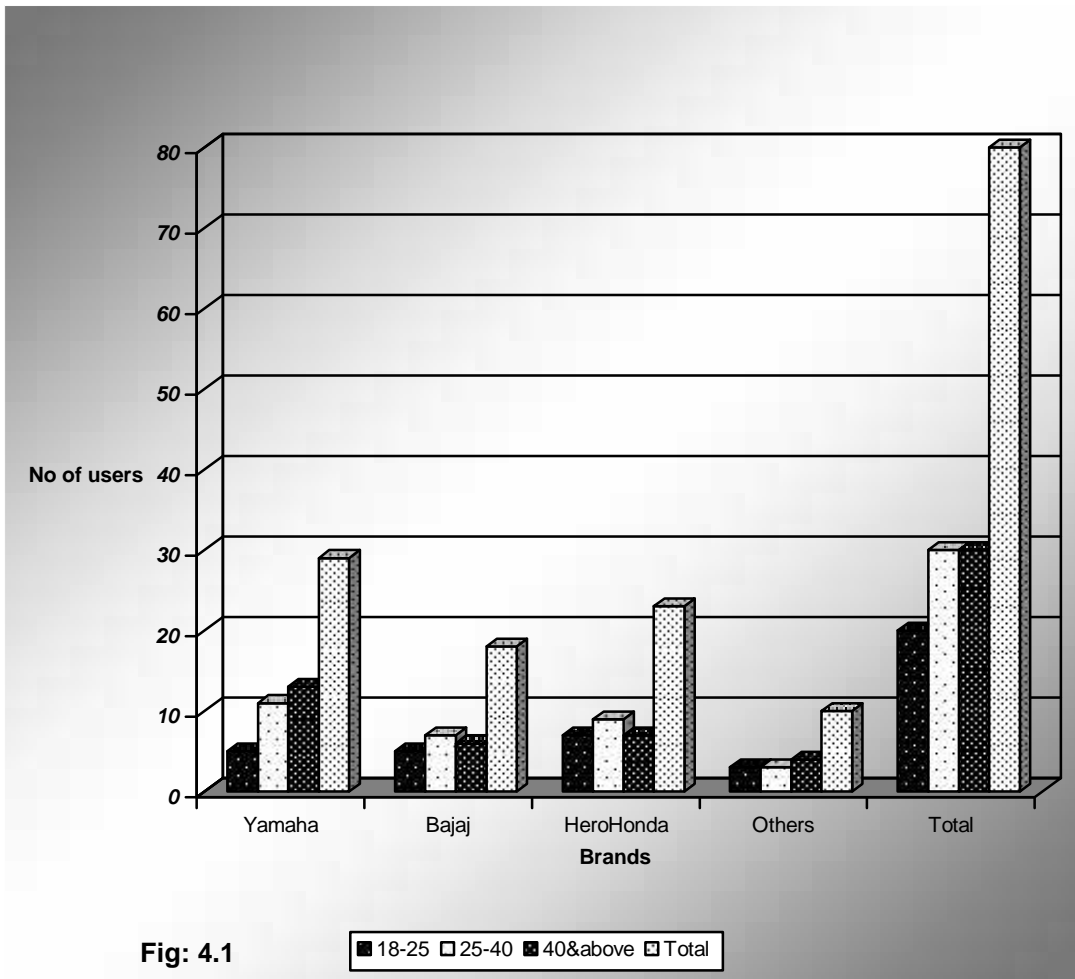
Similarly, out of 30 consumers between (25-40) years age group, 36.67% prefer Yamaha, 23.3% prefer Bajaj, 30% prefer Hero Honda and 10% prefer other brands.

Thus it is clear that, Yamaha's 125c.c is highly popular in (25-40) years age group. Then comes Hero Honda and Bajaj respectively. The least preference is given to the others group.

Finally, out of 30 consumers between (40 & above age group, 43.33% prefer Yamaha, 20% prefer Bajaj, 23.33% prefer Hero Honda and 13.33% prefer other brands.

Thus again larger figure is in the favour of Yamaha's 125c.c two wheeler, then the second rate is given to Hero Honda. Bajaj and others are less preferred.

The datas are presented in the form of figure below:



4.2 Rider's choice in marital status basis:

Marriage is such an affair between two opposite sex characters which is also believed as a natural stage in our society. However, it is believed that, marriage brings certain changes in the lives of involved. Such changes also affect the purchase behaviour to some extent due to sudden but natural changes in taste, habit and preferences.

Thus the study takes it as a criterion to be observed and analysed in case of two wheeler business in Dharan.

A table presented below shows consumers' choice about two wheelers in terms of marital status.

Rider's choice in marital status basis

Table: 4.2

Status	Yamaha		Bajaj		Hero Honda		Others		Total
	No	Percent	No	Percent	No	Percent	No	Percent	
Married	17	42.5%	5	12.5%	13	32.5%	5	12.5%	40
Unmarried	12	30%	13	32.5%	10	25%	5	12.5%	40
Total	29		18		23		10		80

Source: Field Survey

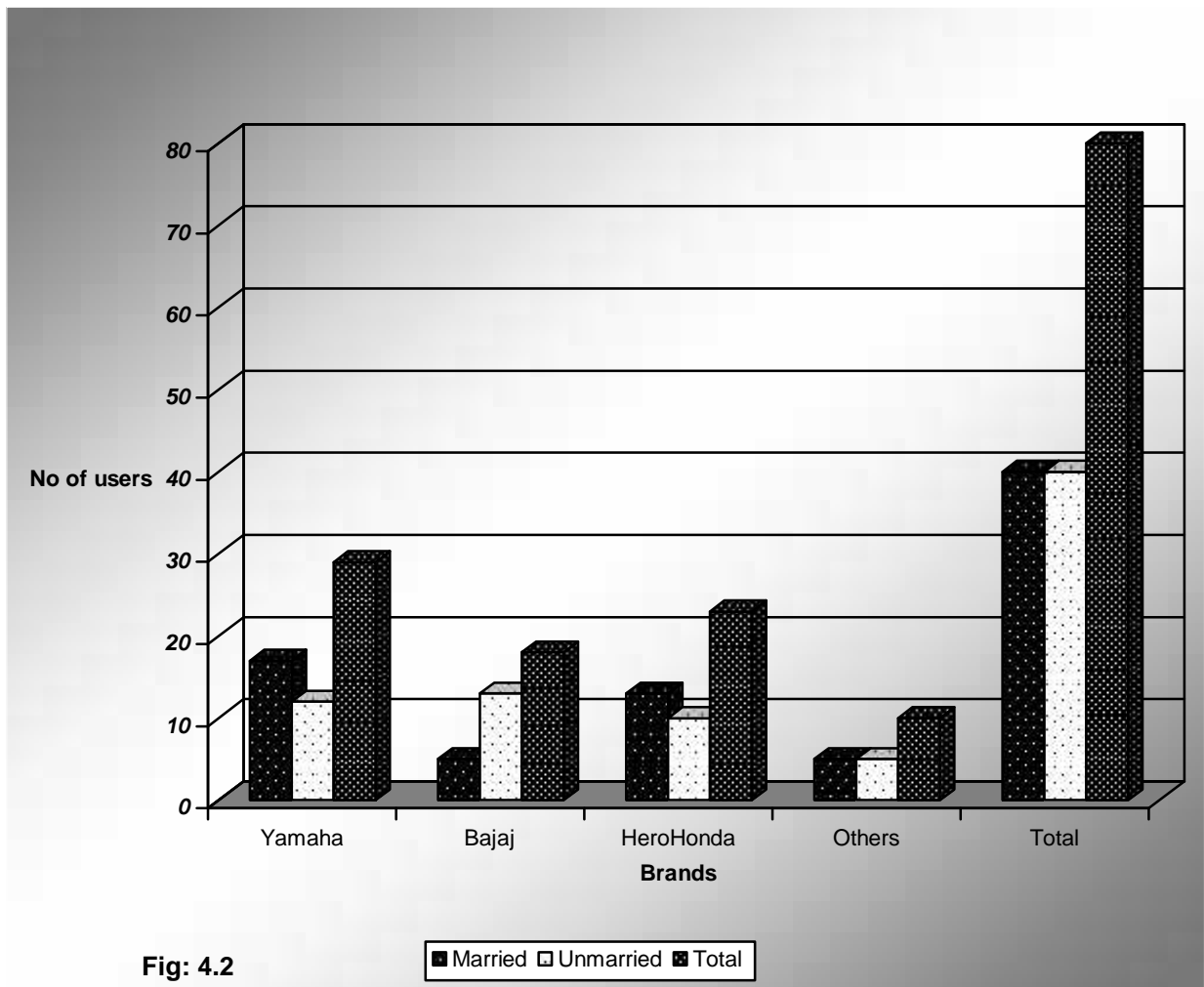
In the above table, out of 40 married number, 42.5% favour Yamaha's 125C.C Two Wheeler, 12.5% favour Bajaj, 32.5% favour Hero Honda and 10% favour others.

Thus it is found that highest percentage of married prefer Yamaha, second highest is covered by Hero Honda and rest Bajaj and Others respectively.

Similarly, out of 40 unmarried consumers, 30% prefer Yamaha's 125c.c two wheeler motorbike, 32.5% prefer Bajaj, 25% prefer Hero Honda and 15% prefer others.

Thus it is obvious that Bajaj has the highest acceptance in the unmarried case, which is backed by Yamaha, Hero Honda and others respectively.

The data are presented in the form of figure below:



4.3 Rider's choice in Professional status basis:

Profession or occupation refers to any type of physical and mental involvement in a work which generates earning that is necessary to maintain the livelihood. It is believed that profession shapes attitude and behaviour of an individual. Consumers' choice and preferences are thus affected by their professional status to a large extent. Here, in this segment, consumers' behaviour on the purchase of two wheelers (125c.c) is analysed in terms of professional status.

A table below shows the findings of the study undertaken among the sample size of 80 consumers.

Rider's choice in professional status basis

Table : 4.3

Occupation	Yamaha		Bajaj		Hero Honda		Others		Total
	No	Percent	No	Percent	No	Percent	No	Percent	
Non worker	8	40%	6	30%	5	25%	1	5%	20
Service Holder	6	24%	4	16%	12	48%	3	12%	25
Businessmen	13	52%	6	24%	4	16%	2	8%	25
Others	2	20%	2	20%	2	20%	4	40%	10
Total	29		18		23		10		80

Source : Field Survey

In the above table, out of 20 non-workers, 40% prefer Yamaha's 125c.c motorbike, 30% prefer Bajaj, 25% prefer Hero Honda and 5% prefer others.

Thus the brands are rated as under:

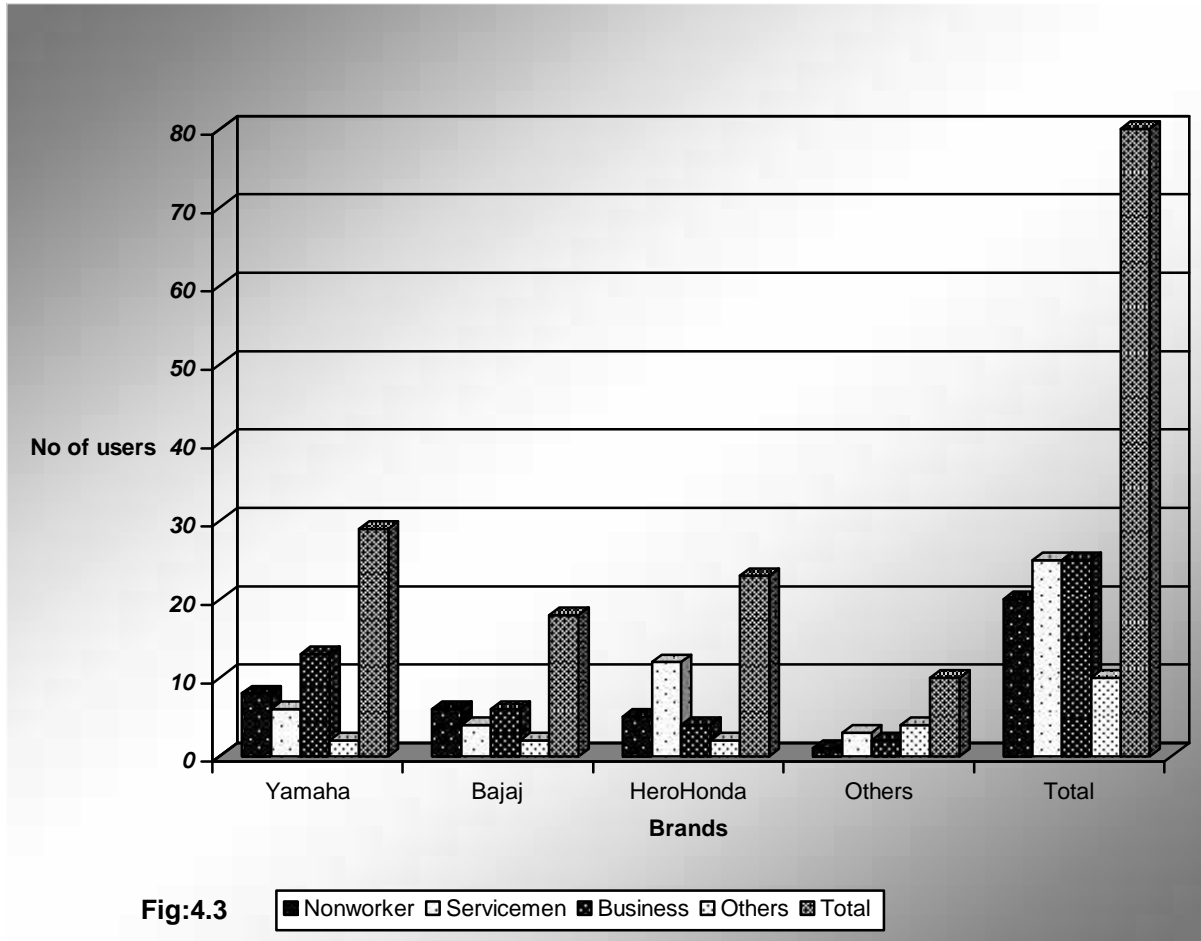
Yamaha	-1
Bajaj	-2
Hero Honda	-3
Others	-4

Similarly, out of 25 service holders, largest i.e 48% consumers' prefer Hero Honda, 24% prefer Yamaha, 16% prefer Bajaj and 12% prefer others.

Similarly, out of 25 businessmen, 52% prefer Yamaha, 24% prefer Bajaj, 16% prefer Hero Honda and rest 8% prefer other brands.

Finally out of 10 consumers' adopting other professions, 20% prefer Yamaha, 20% prefer Bajaj, 20% Hero Honda and 40% others.

The data are presented in the form of figure below:



Consumers' choice study about two wheelers under different variables above, also specifies the total number of consumers' preferring particular brand which is presented below in a table and also shown in a the figure.

Table : 4.4

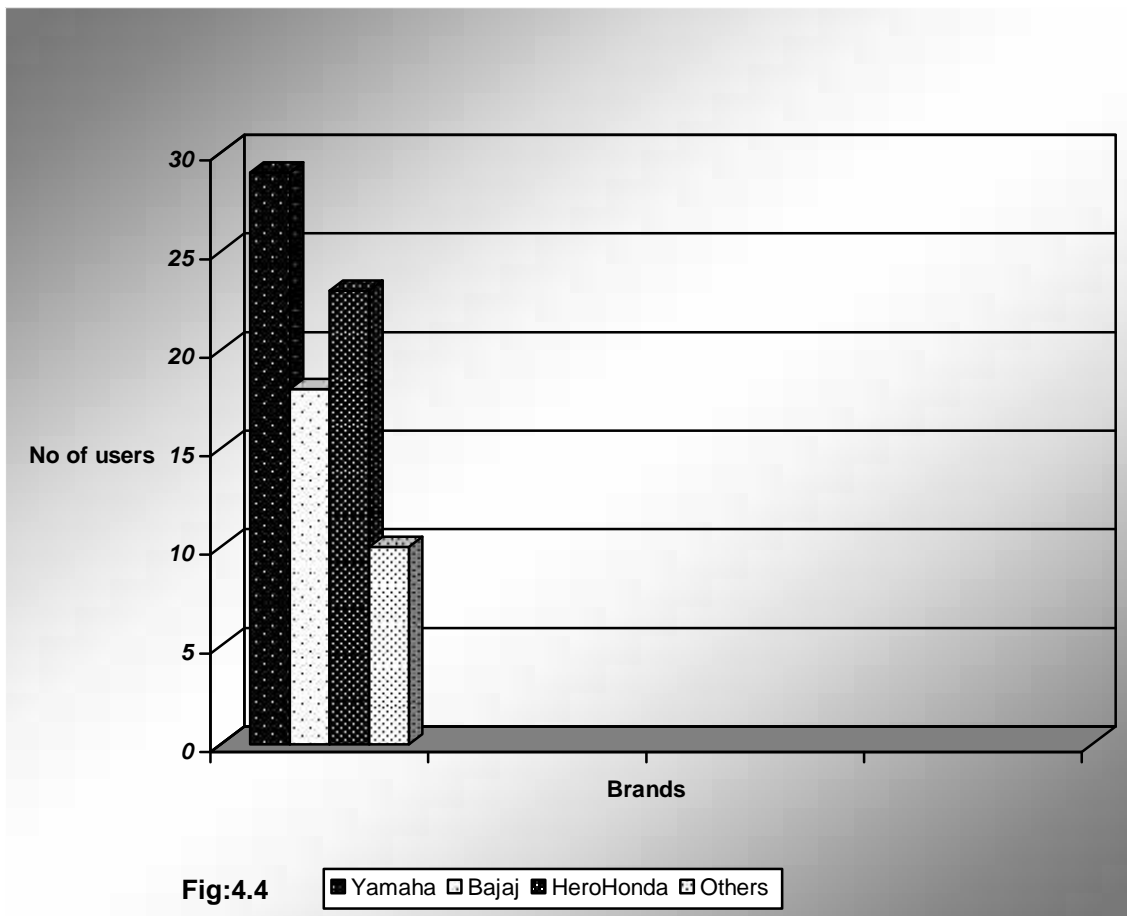
Yamaha		Bajaj		Hero Honda		Others	
No	Percent	No	Percent	No	Percent	No	Percent
29	36.25%	18	22.5%	23	28.75%	10	12.5%

Source : Field Survey

In the above table, out of the total sample of 80 consumers, the largest i.e 29 (36.25%) consumers possess Yamaha's 125c.c two wheeler, 18 (22.5%) possess Bajaj, 23 (28.75%) possess Hero Honda and 10 (12.5%) possess others.

Thus, the highest seller as well as popular brand under 125c.c capacity two wheeler is Yamaha, second highest seller is Hero Honda and the third one is Bajaj. As a whole, these three brands are well accepted by the consumers in the market.

Datas presented above are shown in a diagram below:



4.4 Comparative sales analysis of two wheelers in different Years:

A comparative analysis is thought essential in order to draw conclusion regarding the sales of different brands over the years. Such analysis also forms a base to identify the reasons behind the acceptance of particular brand. Brand loyalty pattern can also be judged with the help of comparative picture.

A table is presented below which gives a comparative view on sales of two wheelers in the past five years:

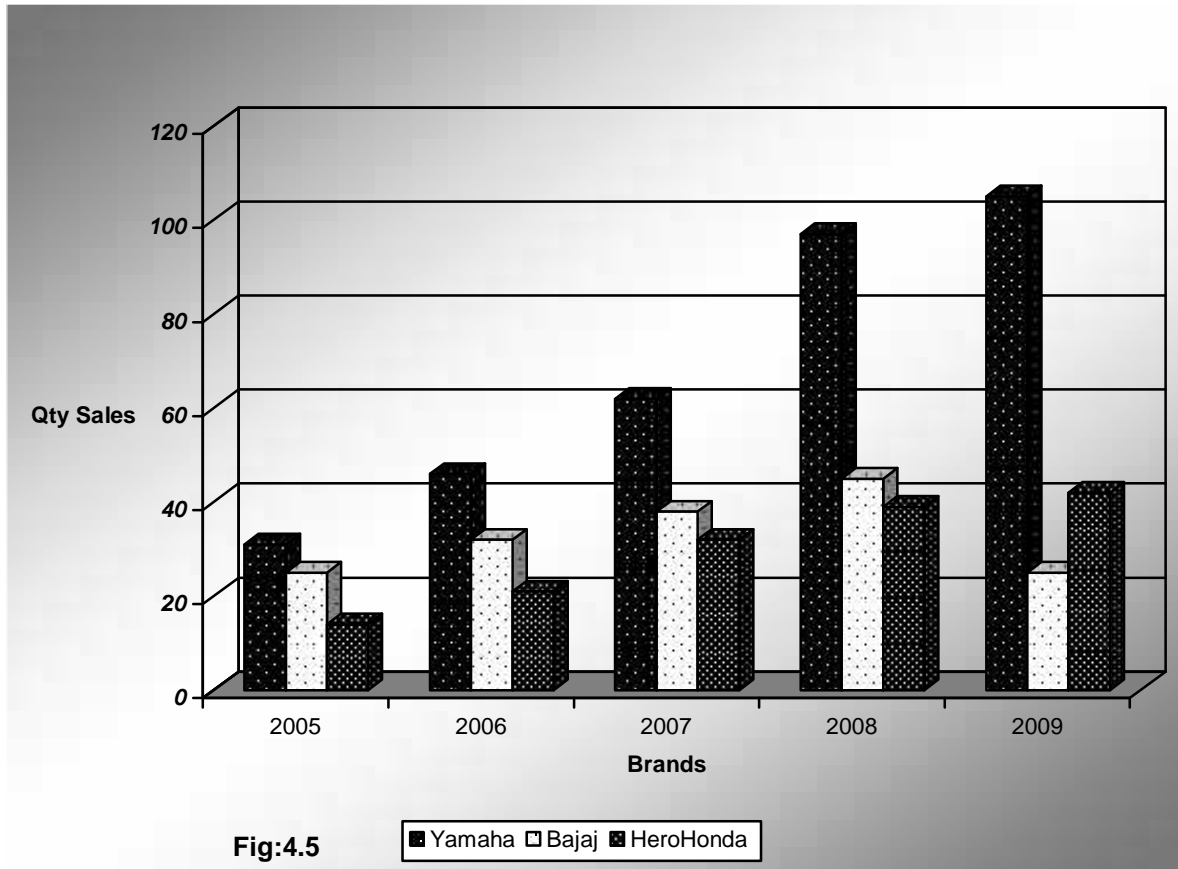
Table no: 4.5

Year	2005	2006	2007	2008	2009
Brands					
Yamaha	31	46	62	97	105
Bajaj	25	32	38	45	25
Hero Honda	14	21	32	39	42

Source: Respective Dealers

In the above table, sales of Yamaha and Hero Honda is found to be increased in an increasing rate whereas the sales of Bajaj could not show the same pattern. However, a slight downsizing is seen in the sales of year 2009 in case of Bajaj. Unless, after Yamaha, Bajaj seems to be the large seller in the market according to the data available over five years. Hero Honda's sales is also viewed quite satisfactory considering the other elements like area, location and so on.

Datas presented above are shown in a diagram below:



4.5 Sales Estimation:

Estimation or prediction of future is an important aspect of business. A business can achieve the desired results if it is guided by a strong vision. Knowledge about past experiences is important, everybody accepts it. But knowledge about future is inevitable, everyone must realize it. Anticipation of events before the happening helps to devise appropriate strategies that can lead an organization towards success.

Sales is an act of transferring the physical ownership of a product to someone who agrees to exchange something of value against the product. Larger quantities

of sales is every marketer's goal. But to achieve this goal, he should possess farsighted vision. In case of sales too, estimation of future on the basis of past is thought necessary which helps in the product planning and in many other aspects of business.

Here, in this study, regression analysis tool has been used to forecast the sales of two wheeler related to different brands in future.

4.5.1 Sales Estimation of Yamaha's 125c.c two wheeler:

Annual Sales Report

Table no: 4.6

Year	Sales Qty	Average Price	Sales Amount	Remarks
2005	31	1,17,700	36,48,700	
2006	46	1,27,200	58,51,200	
2007	62	1,30,400	80,84,800	
2008	97	1,39,900	1,35,70,300	
2009	105	1,52,900	1,60,54,500	

Source: Gajurmukhi Traders, Dharan 8 (Dealer)

Regression analysis to estimate sales trend of Yamaha:

Year	Sales Qty (x)	Time (t)	t ²	xt
2005	31	1	1	31
2006	46	2	4	92
2007	62	3	9	186
2008	97	4	16	388
2009	105	5	25	525
	x=341	t=15	t ² =55	xt=1222

Normal Equation:

$$x = Na + b t$$

$$xt = a t + b t^2$$

Or,

$$\begin{aligned} Na + b t &= x \\ a t + b t^2 &= xt \end{aligned}$$

Now, substituting the computed value in above normal equation,

$$5a + 15b = 341 \dots\dots\dots(i)$$

$$15a + 55b = 1222 \dots\dots\dots(ii)$$

Taking equation (i) & (ii) and multiplying equation (i) by 3 & (ii) by 1 and again subtracting, we get;

$$\begin{array}{r} 15a + 45b = 1023 \\ 15a + 55b = 1222 \\ \hline \times \quad -10b = -199 \end{array}$$

$$\text{Or, } b = 19.9 //$$

Putting the value of b in equation (i), we get;

$$5a + 15b = 341$$

$$\text{Or, } 5a + 15 \times 19.9 = 341$$

$$\text{Or, } 5a = 341 - 298.5$$

$$\text{Or, } a = 8.5 //$$

Sales Estimate for upcoming four years:

$$2010:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 8.5 + 19.9 \times 6 \\ &= 127.9 \quad \text{appx.128//} \end{aligned}$$

$$2011:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 8.5 + 19.9 \times 7 \\ &= 147.8 \quad \text{appx.148//} \end{aligned}$$

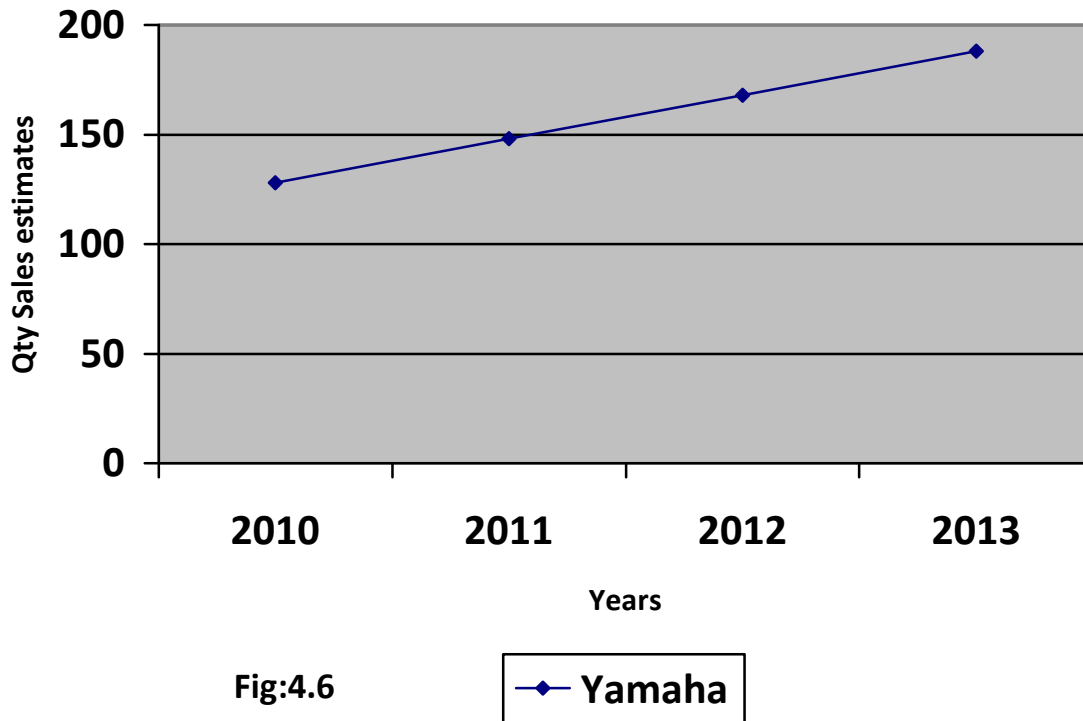
$$2012:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 8.5 + 19.9 \times 8 \\ &= 167.7 \quad \text{appx.168//} \end{aligned}$$

$$2013:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 8.5 + 19.9 \times 9 \\ &= 187.6 \quad \text{appx.188//} \end{aligned}$$

The estimated sales for upcoming four years are shown in the figure below:



In the above estimation work, it is found that the sales of Yamaha will continue to increase even in the upcoming future following the past trends. A figure presented above also depicts an upward moving trend line representing the forecasted sales on the basis of past trend.

Thus according to the product life cycle concept, Yamaha's sales is still in growth stage in Dharan.

4.5.2 Sales Estimation of Bajaj's 125c.c two wheeler:

Annual Sales Report

Table no: 4.7

Year	Sales Qty	Price	Sales Amount	Remarks
2005	25	1,16,800	29,20,000	
2006	32	1,22,800	39,29,600	
2007	38	1,25,900	47,84,200	
2008	45	1,29,900	58,45,500	
2009	25	1,26,900	31,72,500	

Source: Sinhal Brothers, Dharan-7 (Dealer)

Regression analysis to estimate sales trend of Bajaj:

Year	Sales Qty (x)	Time (t)	t ²	xt
2005	25	1	1	25
2006	32	2	4	64
2007	38	3	9	114
2008	45	4	16	180
2009	25	5	25	125
	x=165	t=15	t ² =55	xt= 518

Normal Equation:

$$x = Na + b t$$

$$xt = a t + b t^2$$

Or,

$$\begin{aligned} Na + b t &= x \\ a t + b t^2 &= xt \end{aligned}$$

Now, substituting the computed value in above normal equation,

$$5a + 15b = 165 \dots\dots\dots(i)$$

$$15a + 55b = 518 \dots\dots\dots(ii)$$

Taking equation (i) & (ii) and multiplying equation (i) by (ii) by 1 and again subtracting, we get;

$$\begin{array}{r} 15a + 45b = 495 \\ 15a + 55b = 518 \\ \hline \times \quad -10b = -23 \end{array}$$

$$\text{Or, } b = 2.3 //$$

Putting the value of b in equation (i), we get;

$$5a + 15b = 165$$

$$\text{Or, } 5a + 15 \times 2.3 = 165$$

$$\text{Or, } 5a = 165 - 34.5$$

$$\text{Or, } a = 26.1 //$$

Sales Estimate for upcoming four years:

$$2010: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 26.1 + 2.3 \times 6 \\ &= 39.9 \quad \text{appx.40//} \end{aligned}$$

2011:X = Value of a + Value of bt

$$\begin{aligned} &= 26.1 + 2.3 \times 7 \\ &= 42.2 \quad \text{or,42//} \end{aligned}$$

2012:X = Value of a + Value of bt

$$\begin{aligned} &= 26.1 + 2.3 \times 8 \\ &= 44.5 \quad \text{appx.45//} \end{aligned}$$

2013:X = Value of a + Value of bt

$$\begin{aligned} &= 26.1 + 2.3 \times 9 \\ &= 46.8 \quad \text{appx. 47//} \end{aligned}$$

The estimated sales for upcoming four years are shown in the figure below:

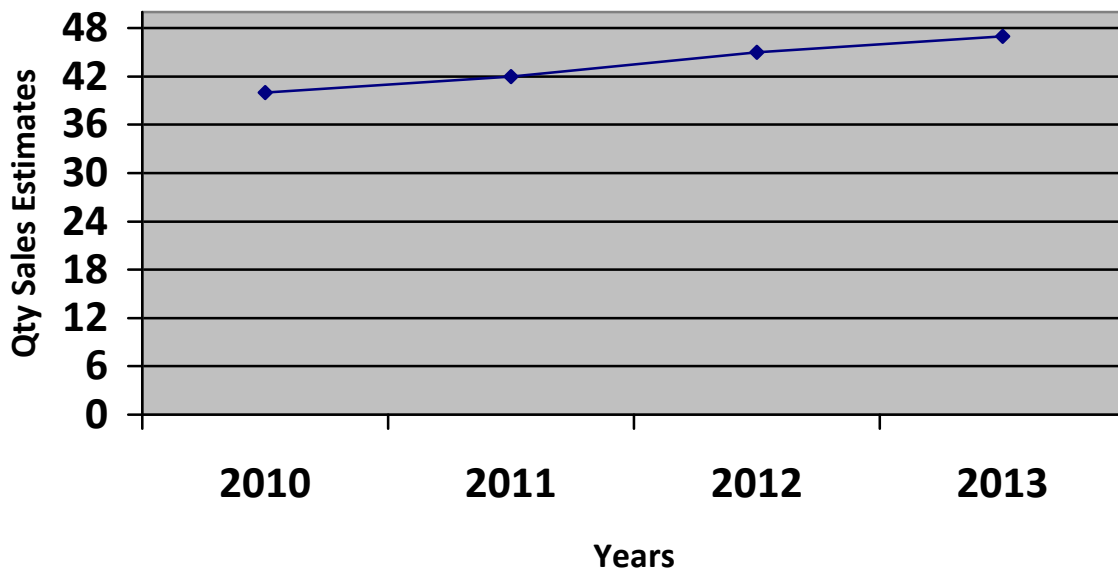


Fig:4.7



According to the above estimation work, it is observed that the sales of Bajaj will continue to increase in future but in a very slow rate. It might be due to the downsizing effect of sales experienced by the dealer during the year 2009. An upward moving flat trend line representing the forecasted sales is shown above in the figure which states the steady growth of sales in future. Thus, Bajaj brand is also in the growth period.

4.5.3 Sales Estimation of Hero Honda's 125c.c two wheeler:

Annual Sales Report

Table: 4.8

Year	Sales Qty	Price	Sales Amount	Remarks
2005	14	99,900	13,98,600	
2006	21	1,10,700	23,24,700	
2007	32	1,17,900	37,72,800	
2008	39	1,23,900	48,32,100	
2009	42	1,34,900	56,65,800	

Source: Annapurna traders. Dharan-8(Dealer)

Regression analysis to estimate sales trend of Hero Honda:

Year	Sales Qty (x)	Time (t)	t ²	xt
2005	14	1	1	14
2006	21	2	4	42
2007	32	3	9	96
2008	39	4	16	156
2009	42	5	25	210
	x =148	t=15	t ² =55	xt= 518

Normal Equation:

$$x = Na + b t$$

$$xt = a t + b t^2$$

Or,

$$Na + b t = x$$

$$a t + b t^2 = xt$$

Now, substituting the computed value in above normal equation,

$$5a + 15b = 148 \dots\dots\dots(i)$$

$$15a + 55b = 518 \dots\dots\dots(ii)$$

Taking equation (i) & (ii) and multiplying equation (i) by (ii) by 1 and again subtracting, we get;

$$\begin{array}{r}
 15a + 45b = 444 \\
 15a + 55b = 518 \\
 \hline
 \times \quad -10b = -74
 \end{array}$$

$$\text{Or, } b=7.4 //$$

Putting the value of b in equation (i), we get;

$$5a + 15b = 148$$

$$\text{Or, } 5a + 15 \times 7.4 = 148$$

$$\text{Or, } 5a = 148 - 111$$

$$\text{Or, } a = 7.4 //$$

Sales Estimate for upcoming four years:

$$2010: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 7.4 + 7.4 \times 6 \\ &= 51.8 \quad \text{appx. } 52 // \end{aligned}$$

$$2011: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 7.4 + 7.4 \times 7 \\ &= 59.2 \quad \text{appx. } 59 // \end{aligned}$$

$$2012: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 7.4 + 7.4 \times 8 \\ &= 66.6 \quad \text{appx. } 67 // \end{aligned}$$

$$2013: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 7.4 + 7.4 \times 9 \\ &= 74 // \end{aligned}$$

The estimated sales for upcoming four years are shown in the figure below:

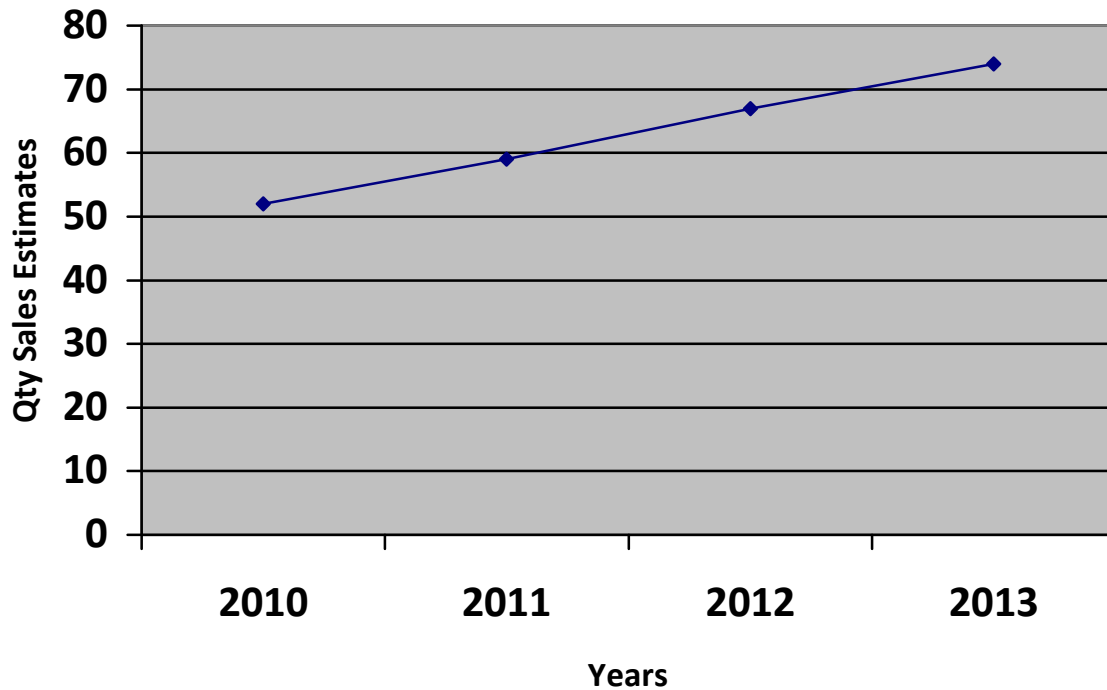


Fig:4.8

—◆— HeroHonda

An estimation work done above to carry out forecasted view of the sales of Hero Honda's 125 c.c two wheeler, helps to draw a conclusion that the brand is experiencing the growth period. The figure also shows the forecasted sales trend line with an increasing view drawn on the basis of past trend.

Finally after conducting the estimation work, we can conclude that, all these three brands (i.e Yamaha, Bajaj & Hero Honda) are the competitors and hence the competition is supposed to last longer. So, appropriate marketing strategy has to be set in order to tackle the effect of competition.

4.6 Demand Estimation:

Demand means willingness and ability of a consumer to purchase a commodity with certain price in the particular period of time. However, it is affected by many other variables in the market. Consumers' economic status, needs and desires and other certain influences are some key factors that shape the demand of a product.

A supplier has to watch the demand view closely in order to lay down proper production plan, distribution channels and pricing decisions. Thus, demand estimation is considered an important measure which supports a manufacturer to a large extent.

This study also analyzes the past demand trend of different brand (two wheelers) & forecasts the future demand trend.

4.6.1 Demand Estimation of Yamaha's 125c.c two wheeler:

Table no: 4.9

Year	Demand
2005	50
2006	53
2007	71
2008	108
2009	125

Source: Gajurmukhi Traders, Dharan-8

Regression analysis to estimate Demand trend of Yamaha:

Year	Demand Qty (x)	Time (t)	t ²	xt
2005	50	1	1	50
2006	53	2	4	106
2007	71	3	9	213
2008	108	4	16	432
2009	125	5	25	625
	x =407	t=15	t ² =55	xt= 1426

Normal Equation:

$$x = Na + b t$$

$$xt = a t + b t^2$$

Or,

$$Na + b t = x$$

$$a t + b t^2 = xt$$

Now, substituting the computed value in above normal equation,

$$5a + 15b = 407 \dots\dots\dots(i)$$

$$15a + 55b = 1426 \dots\dots\dots(ii)$$

Taking equation (i) & (ii) and multiplying equation (i) by (ii) by 1 and again subtracting, we get;

$$\begin{array}{r}
 15a + 45b = 1221 \\
 15a + 55b = 1426 \\
 \hline
 \times \quad -10b = -205
 \end{array}$$

$$\text{Or, } b = 20.5 //$$

Putting the value of b in equation (i), we get;

$$5a + 15b = 407$$

$$\text{Or, } 5a + 15 \times 20.5 = 407$$

$$\text{Or, } 5a = 407 - 307.5$$

$$\text{Or, } a = 19.9 //$$

Demand Estimate for upcoming four years:

$$2010:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 19.9 + 20.5 \times 6 \\ &= 142.9 \quad \text{appx. } 143// \end{aligned}$$

$$2011:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 19.9 + 20.5 \times 7 \\ &= 163.4 \quad \text{appx. } 163// \end{aligned}$$

$$2012:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 19.9 + 20.5 \times 8 \\ &= 183.9 \quad \text{appx. } 184// \end{aligned}$$

$$2013:X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 19.9 + 20.5 \times 9 \\ &= 204.4 \quad \text{appx. } 204 // \end{aligned}$$

The demand trend along with the estimated demand for upcoming four years are shown in the figure below:

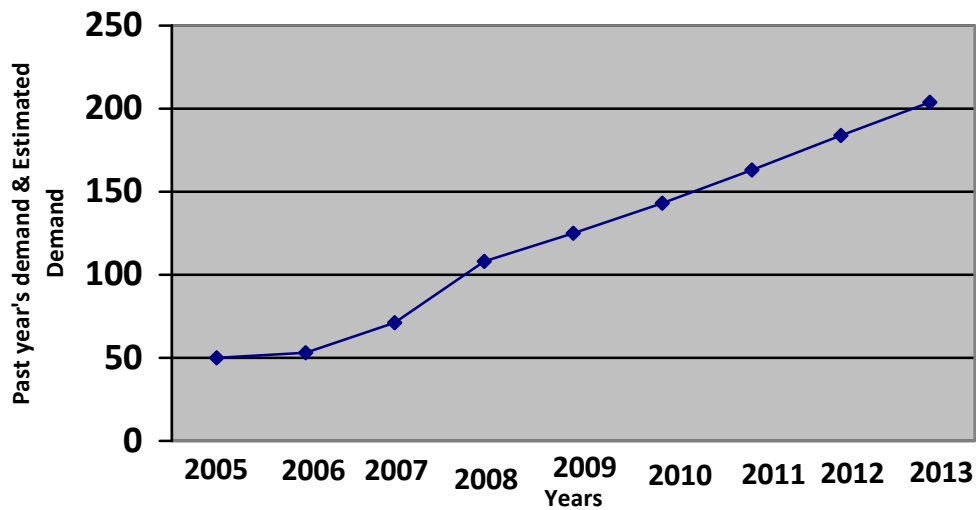


Fig:4.9



The estimation work and figure presented above, shows an increasing demand trend of Yamaha's 125 c.c two wheeler. Both the past & future trends are shown together in a single trend line in the figure. Demand for upcoming years is forecasted on the basis of past trend.

4.6.2 Demand Estimation of Bajaj’s 125c.c two wheeler:

Table no: 4.10

Year	Demand
2005	35
2006	42
2007	49
2008	55
2009	58

Source: Sinhal Brothers ,Dharan-7

Regression analysis to estimate Demand trend of Bajaj:

Year	Demand Qty (x)	Time (t)	t ²	xt
2005	35	1	1	35
2006	42	2	4	84
2007	49	3	9	147
2008	55	4	16	220
2009	58	5	25	290
	x =239	t=15	t ² =55	xt= 776

Normal Equation:

$$x = Na + b t$$

$$xt = a t + b t^2$$

Or,

$$Na + b t = x$$

$$a t + b t^2 = xt$$

Now, substituting the computed value in above normal equation,

$$5a + 15b = 239 \dots\dots\dots(i)$$

$$15a + 55b = 776 \dots\dots\dots(ii)$$

Taking equation (i) &(ii) and multiplying equation (i) by 1 and again subtracting,we get;

$$\begin{array}{r} 15a + 45b = 717 \\ 15a + 55b = 776 \\ \hline \times \quad -10b = -59 \end{array}$$

$$\text{Or, } b = 5.9 //$$

Putting the value of b in equation (i),we get;

$$5a + 15b = 239$$

$$\text{Or, } 5a + 15 \times 5.9 = 239$$

$$\text{Or, } 5a = 239 - 88.5$$

$$\text{Or, } a = 30.1 //$$

Demand Estimate for upcoming four years:

$$2010: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 30.1 + 5.9 \times 6 \\ &= 65.5 \text{ appx } 66 \end{aligned}$$

$$2011: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 30.1 + 5.9 \times 7 \\ &= 71.4 \text{ or, } 71 // \end{aligned}$$

$$2012: X = \text{Value of } a + \text{Value of } bt$$

$$\begin{aligned} &= 30.1 + 5.9 \times 8 \\ &= 77.3 \text{ appx } 77 // \end{aligned}$$

$$\begin{aligned}
 2013:X &= \text{Value of } a + \text{Value of } bt \\
 &= 30.1 + 5.9 \times 9 \\
 &= 83.2 \text{ appx } 83 //
 \end{aligned}$$

The demand trend along with the estimated demand for upcoming four years are shown in the figure below:

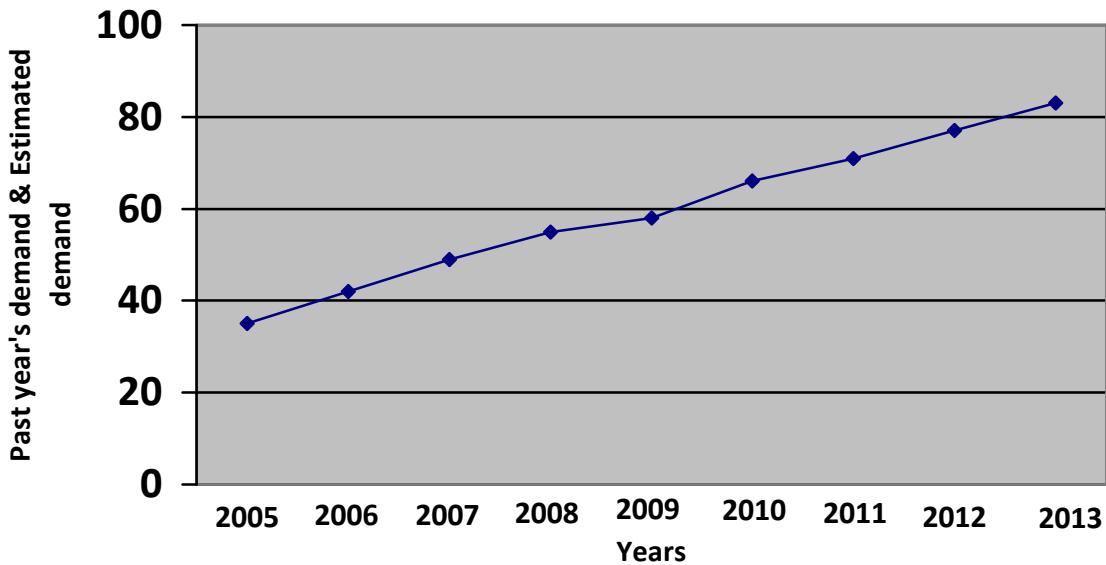
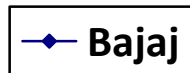


Fig:4.10



The estimation work and figure presented above, also shows an increasing demand trend of Bajaj's 125 c.c two wheeler. Both the past & future trends are shown together in a single trend line in the figure. Demand for upcoming years is forecasted on the basis of past trend.

4.6.3 Demand Estimation of Hero Honda 125c.c two wheeler:

Table no: 4.11

Year	Demand
2005	19
2006	27
2007	38
2008	43
2009	55

Source: Annapurna Traders,Dharan-8

Regression analysis to estimate Demand trend of Hero Honda:

Year	Demand Qty (x)	Time (t)	t ²	xt
2005	19	1	1	19
2006	27	2	4	54
2007	38	3	9	114
2008	43	4	16	172
2009	55	5	25	275
	x =182	t=15	t ² =55	xt= 634

Normal Equation:

$$x=Na +b t$$

$$xt=a t +b t^2$$

Or,

$$Na + b t = x$$

$$a t + b t^2 = xt$$

Now,substituting the computed value in above normal equation,

$$5a + 15b = 182.....(i)$$

$$15a + 55b = 634 \dots\dots\dots(ii)$$

Taking equation (i) &(ii) and multiplying equation (i) by 1 and again subtracting,we get;

$$\begin{array}{r} 15a + 45b = 546 \\ 15a + 55b = 634 \\ \hline \times \quad -10b = -88 \end{array}$$

$$\text{Or, } b = 8.8 //$$

Putting the value of b in equation (i),we get;

$$5a + 15b = 182$$

$$\text{Or, } 5a + 15 \times 8.8 = 182$$

$$\text{Or, } 5a = 182 - 132$$

$$\text{Or, } a = 10 //$$

Demand Estimate for upcoming four years:

$$\begin{aligned} 2010: X &= \text{Value of } a + \text{Value of } bt \\ &= 10 + 8.8 \times 6 \\ &= 62.8 \text{ appx. } 63 // \end{aligned}$$

$$\begin{aligned} 2011: X &= \text{Value of } a + \text{Value of } bt \\ &= 10 + 8.8 \times 7 \\ &= 71.6 \text{ appx. } 72 // \end{aligned}$$

$$\begin{aligned} 2012: X &= \text{Value of } a + \text{Value of } bt \\ &= 10 + 8.8 \times 8 \\ &= 80.4 \text{ or, } 80 // \end{aligned}$$

2013:X = Value of a + Value of bt

$$\begin{aligned} &= 10 + 8.8 \times 9 \\ &= 89.2 \text{ Or, } 89 // \end{aligned}$$

The demand trend along with the estimated demand for upcoming four years are shown in the figure below:

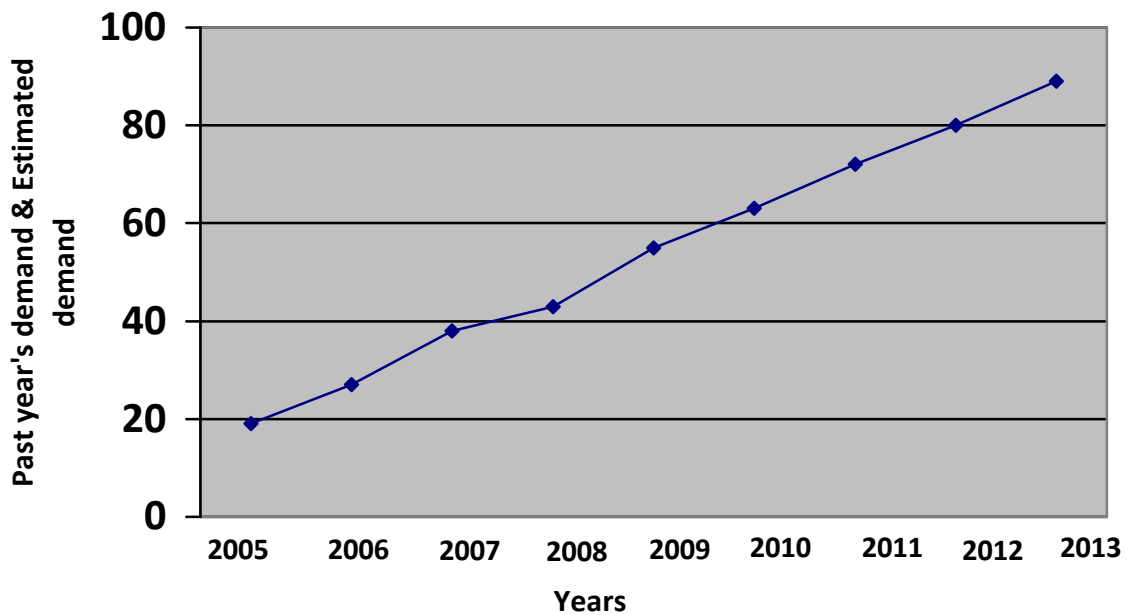


Fig:4.11

—◆— HeroHonda

The estimation work and figure presented above, also shows an increasing demand trend of Hero Honda's 125 c.c two wheeler. Both the past & future trends are shown together in a single trend line in the figure. Demand for upcoming years is forecasted on the basis of past trend.

When demands and sales of all the above three brands are studied together, a gap has been found between the sales and demand in each brand. To be more precise, dealers have not been able to meet the demand fully in the past.

The collective reasons stated by the dealers in the above cases are pointed out below:

- ❖ Manufacturing companies have been changing the models of two wheelers frequently which is pointed out as a cause of failure to satisfy the consumers, demanding the existing model.
- ❖ Companies' product line has been shifted from less c.c models to larger c.c models. For instance, in case of Bajaj, in spite of the popularity of 125 c.c (Discover), company built production strategy of 135 c.c models & curtailed the production of 125 c.c (Discover). So, the increasing demand could not be met.
- ❖ Country's unstable political situations, movements, strikes etc have delayed the delivery of the product from the manufacturer in time which is also pointed out as a reason of failure to meet the demand.

4.7 Media of Advertising used by the companies:

Advertisement is an emerging concept in business. Manufacturers use advertisement tools to inform the consumers about the product features, qualities and other aspects. Despite these, advertisement is also used as a persuading or influencing element which attracts consumers towards a particular brand.

Today it is believed that, without advertisement, a product's image cannot be set in the consumers' mind. So, large expenditure is allocated on the part of advertisement by the manufacturers at present.

So far as two wheelers are concerned, these are highly advertised products in the market. The different mediums used by the advertisers are television, print medium, events sponsorship, hoarding board etc.

A table is presented below, which shows the consumers' inclination perspective towards particular medium of advertisement.

Media Recognition Test

Table no: 4.12

Media	No of Persons	Percentage
Television	42	52.5%
Print medium	10	12.5%
Event Sponsorship	8	10%
Hoarding Board	10	12.5%
All of the above	10	12.5%
Total	80	100%

Source: Field Survey

Datas presented in the table above is the outcome of the research conducted among 80 consumers samples. A set of questionnaires was supplied during the research period among the consumers asking about their source of informations on two wheelers. After analyzing their responses, we come to know that, 52.5% i.e the largest of all are informed about the two wheelers by the television and only 12.5% are informed by the print medium. Similarly, 10% and 12.5% are informed by Event sponsorship and Hoarding board respectively. Again 12.5% were found to be informed by all of the above mediums.

The datas are expressed in the form of a pie chart below for instant view:

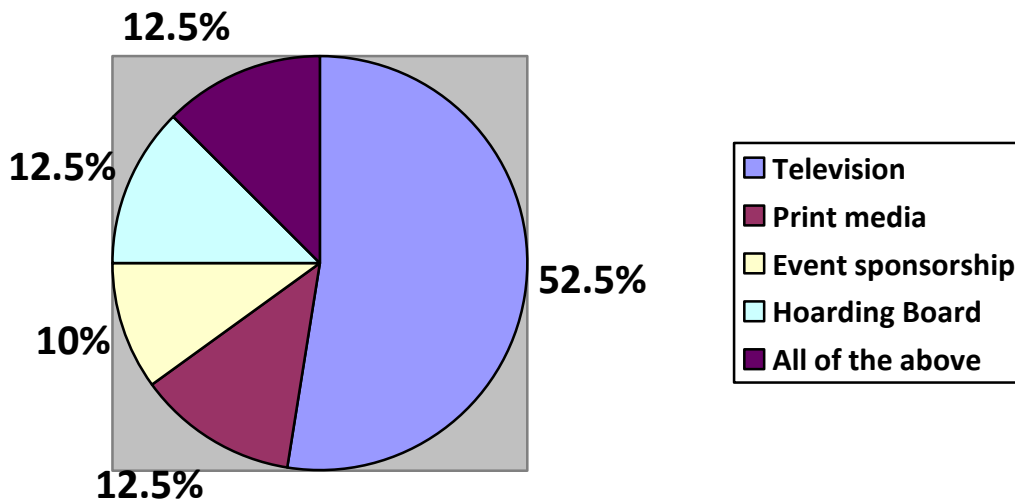


Fig:4.12

4.8 Advertisement attractiveness of Television:

The total television viewers were supplied a questionnaire to respond about the influence by the advertisement on the different brands.

A table presented below shows the attractiveness of different brands' advertisement broadcast in the television.

Advertisement attractiveness test(Television)

Table no : 4.13

Brands	No of respondents	Percentage
Yamaha	13	35.71%
Bajaj	11	30.95%
Hero Honda	10	23.80%
Others	4	9.52%
None of the above	4	9.52%
Total	42	100%

Source: Field Survey

Datas in the above table,show that,out of 42 television viewers,the largest i,e 35.71% are influenced by Yamaha.Similarly Bajaj & Hero Honda is rated second and third in terms of brand influence whereas 4 of the total viewers are found not being influenced by any of the brand's advertisement mentioned above.

The datas are expressed in the form of a pie chart below:

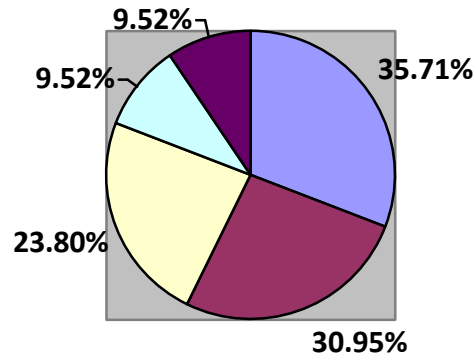
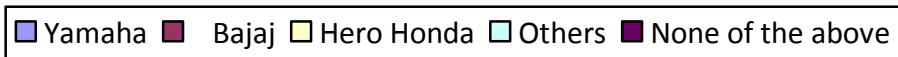


Fig:4.13



4.9 Advertisement attractiveness of Print Medium:

Print medium is gaining popularity in the Nepalese market. Large number of Newspapers(Daily,weekly),magazines (weekly, half-monthly,monthly etc) are available in the market. So, a research has been conducted to identify results in the ground of attractiveness.

A table is presented below which carries the data collected from the questionnaire approach.

Advertisement attractiveness test(Print medium)

Table no : 4.14

Brands	No of respondents	Percentage
Yamaha	3	30%
Bajaj	2	20%
Hero Honda	2	20%
Others	2	20%
None of the above	1	10%
Total	10	100%

Source : Field Survey

In the above table,among 10 viewers,of print medium 30% of them are influenced by Yamaha brand, 20% by Bajaj,20% by Hero Honda,20% by Others and 10% are not influenced by any of the brands mentioned above.

When the datas are expressed in the form of pie chart,following view is observed.

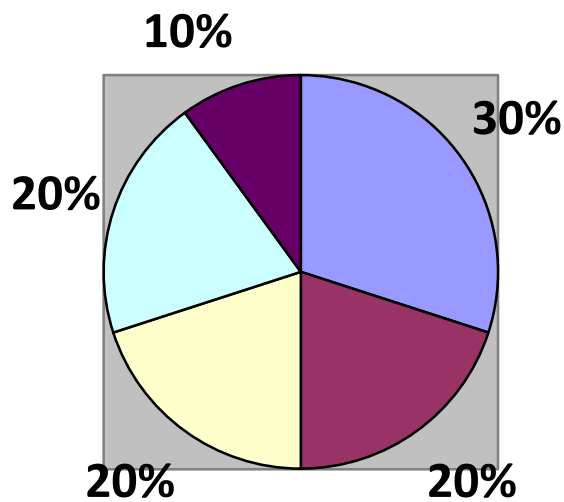


Fig:4.14 ■ Yamaha ■ Bajaj ■ Hero Honda ■ Others ■ None of the above

4.10 Advertisement attractiveness of Hoarding Board:

Hoarding boards refer to large sized still display medium which contains pictures, informations and other consumer persuading features. These boards are fixed especially in the open places which are visited frequently by the public. The main entrance of the city, top of the buildings etc are some selected places that are used to fix the hoarding boards. Use of hoarding board advertisement is also found in case of two wheeler business.

Advertisement attractiveness test on hoarding board conducted in the study, shows the outcomes which is presented below:

Advertisement attractiveness test(Hoarding Board)

Table no : 4.15

Brands	No of respondents	Percentage
Yamaha	4	40%
Bajaj	3	30%
Hero Honda	2	20%
Others	1	10%
Total	10	100%

Source : Field Survey

In the above table, among 10 viewers, of hoarding board, 40% of them are influenced by Yamaha brand, 30% by Bajaj, 20% by Hero Honda, 10% by Others.

When the data are expressed in the form of pie chart, following view is observed.

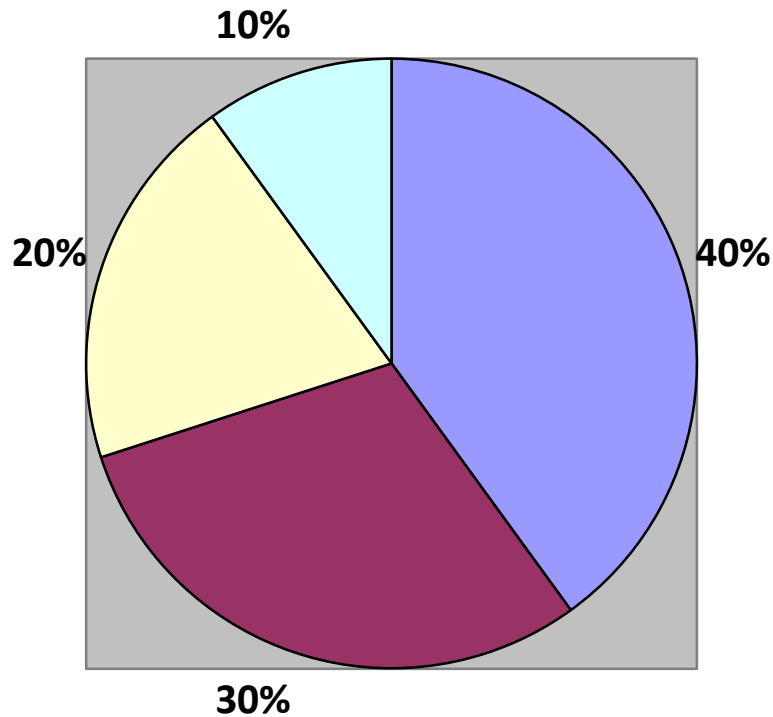


Fig:4.15
■ Yamaha
 ■ Bajaj
 ■ Hero Honda
 ■ Others

4.11 Advertisement attractiveness of Event Sponsorship :

Event sponsorship is generally known as the participation of a business house in certain events that are related to sports, music or entertainment from the financial point of view. Usually the companies donate certain amounts to the organizer signing an agreement which states that the organizer will promote the concerned business as a return to the financial contribution made. This kind of brand publicity is being popular in Nepal. However, the results of the test conducted on the event sponsorship is presented in the tabular form below:

Advertisement attractiveness test(Event Sponsorship)

Table no : 4.16

Brands	No of respondents	Percentage
Yamaha	2	25%
Bajaj	3	37.5%
Hero Honda	2	25%
Others	1	12.5%
Total	8	100%

Source : Field Survey

In the above table,among 8 viewers,of Event, 37.5% of them are influenced by Bajaj brand, 25% by Yamaha,25% by Hero Honda,12.5% by Others.

When the datas are expressed in the form of pie chart,following view is observed.

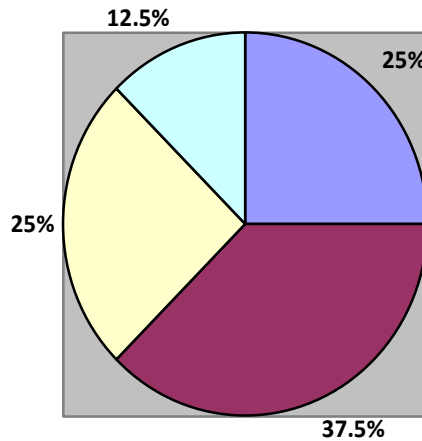
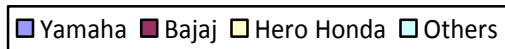


Fig:4.16



4.12 Influence by the advertisement

Advertisements are basically undertaken in order to inform, influence and persuade the potential consumers. We have already discussed about various mediums of advertisements and their attractiveness test has also been performed. In this unit, consumers are studied on the ground of advertisement influence. In most of the cases, advertisements are found influencing but in exceptional cases, there are chances of no influence.

A table is presented below which shows the reaction of consumers over the advertisements.

Influence by the Advertisement

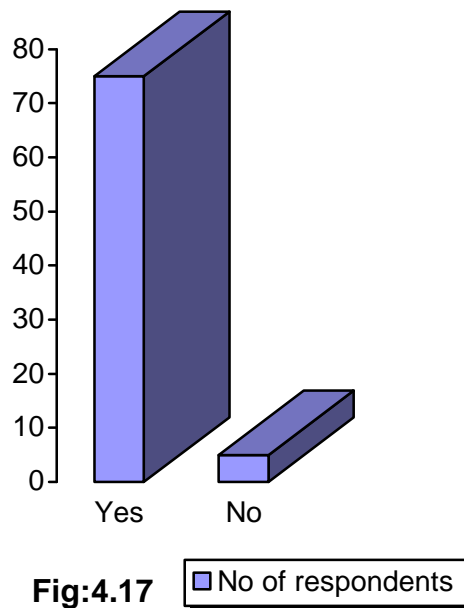
Table no : 4.17

Description	No of respondents	Percentage
Yes	75	93.75%
No	5	6.25%
Total	80	100%

Source : Field Survey

In the above table, among 80 consumers, 75 are found influenced by the advertisement and only 5 are found uninfluenced. This result proves the necessity of the advertisement of a product.

The above data are expressed in the form of a picture below:



4.13 Advertisement viewing medium chosen by consumers:

Consumers adopt various mediums of getting informations about a product. Manufacturers publisize a product through different medias out of which some contain audio visual features while the others may just possess reading and watching as the alternative. However, it depends upon the consumers' interest whether to adopt audio visual means or other alternatives.

The research conducted in 80 consumers gives the following overview:

Table no : 4.18

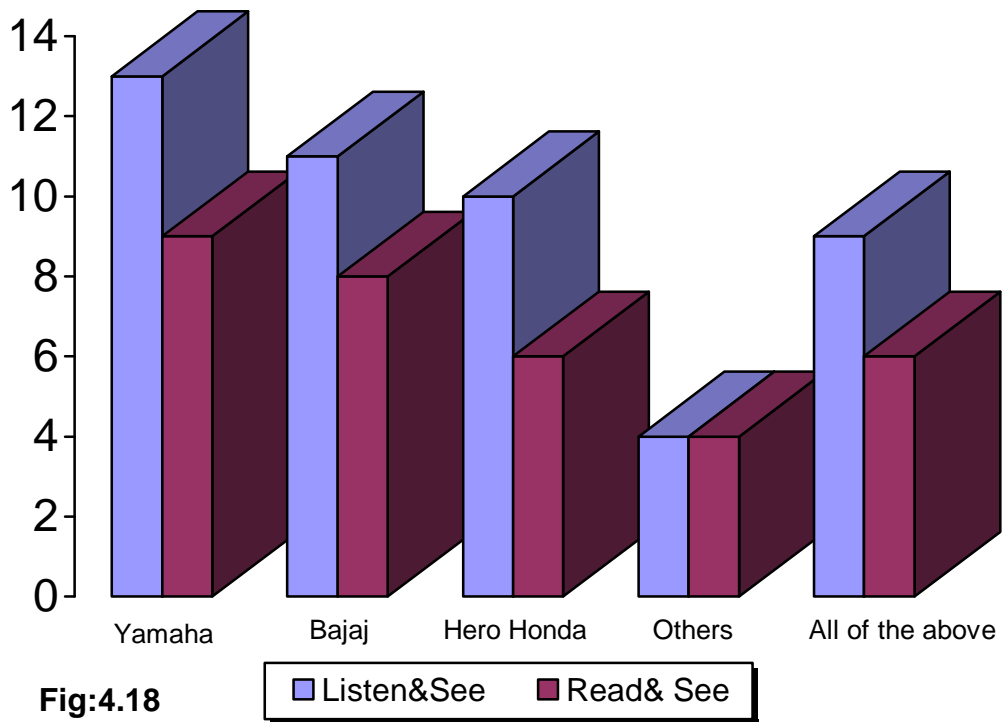
Description	Listen and see		Read and see		Total
	No	Percent	No	Percent	
Yamaha	13	16.25%	9	11.25%	22
Bajaj	11	13.75%	8	10%	19
Hero Honda	10	12.5%	6	7.5%	16
Others	4	5%	4	5%	8
All of the above	9	11.25%	6	7.5%	80

Source : Field Survey

In the above table, it is shown that, among 80 consumers, 13 consumers listen and see Yamaha's advertisement. Similarly 11, 10, 4 & 9 consumers listen and see the advertisement of Bajaj, Hero Honda, others and all of the above brands respectively.

The table also shows the number of consumers who read and see the advertisement of different brands' two wheeler. Among 80 consumers, 9 consumers read and see the advertisement of Yamaha. Similarly 8, 6, 4 & 6 consumers read and see the two wheeler advertisement of Bajaj, Hero Honda, Others and all of the above brands respectively.

The above data are expressed in the form of a figure below:



4.14 Consumer's buying decisions:

Consumers' buying decisions are influenced by economic, demographic, psychological and socio cultural factors. Their income, family and other many things affect their buying decisions. But a rational consumer always makes a purchase decision on the basis of several key features that are associated with the product. Here in this unit, the outcome of the research conducted on the buyers of different brands on account of their buying decisions are examined:

4.14.1 Reasons for buying Yamaha:

A question was asked to each Yamaha owner during the research, seeking the reason behind the purchase of that particular brand. Their responses were obtained in the following pattern:

Table no : 4.19

Description	No of respondents	Percentage
Brand	9	31.03%
Quality/Features	5	17.24%
Performance/Mileage	4	13.79%
Looks/Design	3	10.34%
Resale Value	5	17.24%
Finance Service	3	10.34%
Total	29	100%

Source : Field Survey

The responses made by 29 Yamaha consumers are shown above in a tabular form. In the course of research, 9 of them have said that, the main reason behind the purchase was brand. Similarly, for 5 consumers of Yamaha, Quality /features criteria was the reason. Datas also reveal that four consumers purchased Yamaha due to the performance/mileage of the bike, 3 consumers purchased the same brand for looks/Design, 5 for resale value and for the rest 3, finance service is the reason.

The picture view related to above datas is presented below:

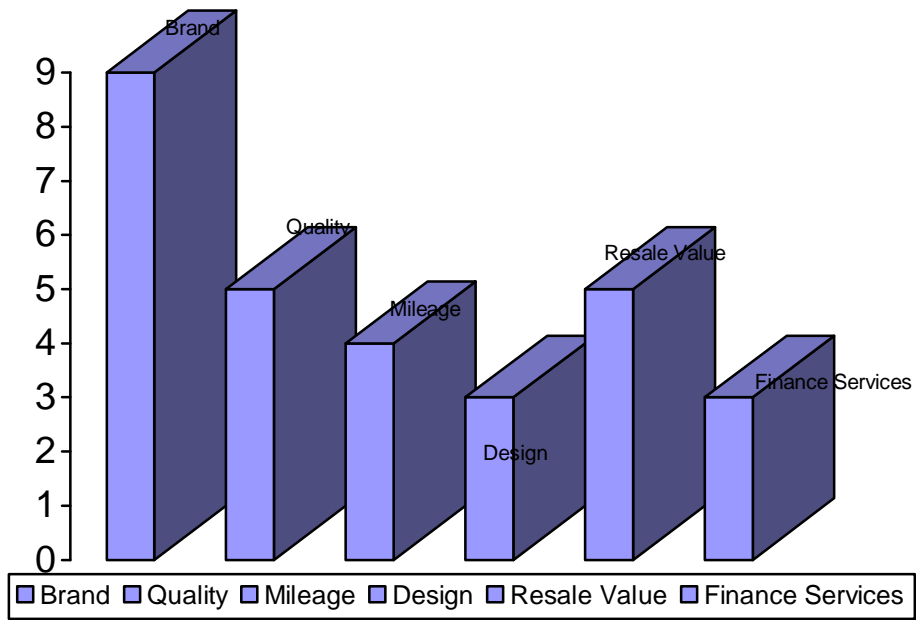


Fig:4.19

4.14.2 Reasons for buying Bajaj:

A question was asked to each Bajaj owner during the research, seeking the reason behind the purchase of that particular brand. Their responses were obtained in the following pattern:

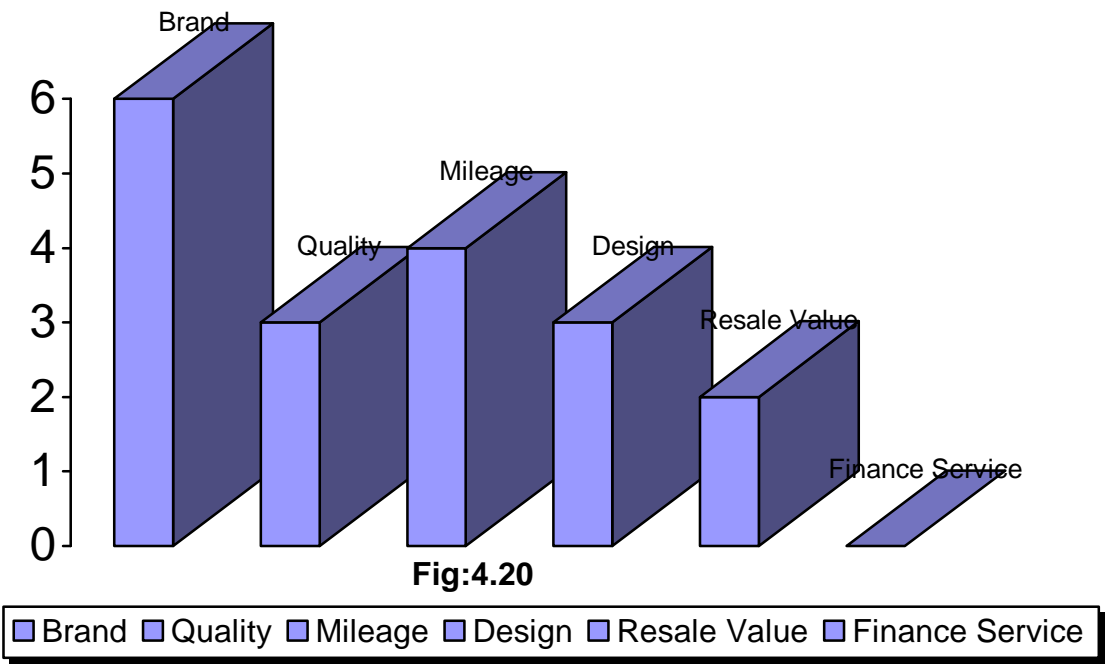
Table no : 4.20

Description	No of respondents	Percentage
Brand	6	33.33%
Quality/Features	3	16.67%
Performance/Mileage	4	22.22%
Looks/Design	3	16.67%
Resale Value	2	11.11%
Finance Service	0	0%
Total	18	100%

Source : Field Survey

The responses made by 18 Bajaj consumers are shown above in a tabular form. In the course of research, 6 of them have said that the main reason behind the purchase was brand. Similarly, for 3 consumers of Bajaj, Quality /features criteria was the reason. Data also reveal that four consumers purchased Bajaj due to the performance/mileage of the bike, 3 consumers purchased the same brand for looks/Design, 2 for resale value, 2 for resale value, 2 for resale value, 2 for resale value.

The picture view related to above data is presented below:



4.14.3 Reasons for buying Hero Honda:

A question was asked to each Hero Honda owner during the research, seeking the reason behind the purchase of that particular brand. Their responses were obtained in the following pattern:

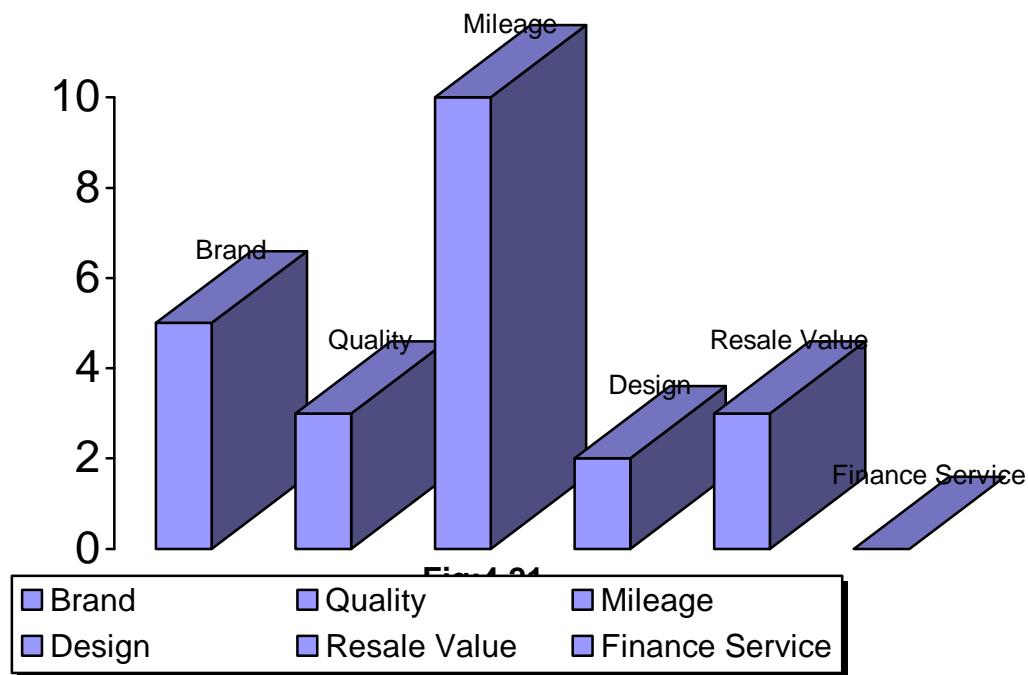
Table no : 4.21

Description	No of respondents	Percentage
Brand	5	21.8%
Quality/Features	3	13.04%
Performance/Mileage	10	43.5%
Looks/Design	2	8.7
Resale Value	3	13.04
Finance Service	0	0
Total	23	100%

Source : Field Survey

The responses made by 23 Hero Honda consumers are shown above in a tabular form. In the course of research, 5 of them have said that, the main reason behind the purchase was brand. Similarly, for 3 consumers of Hero Honda, Quality /features criteria was the reason. Datas also reveal that 10 consumers purchased Hero Honda due to the performance/mileage of the bike, 2 consumers purchased the same brand for looks/Design, 3 for resale value.

The picture view related to above datas is presented below:



4.15 Major Findings:

- ❖ Yamaha’s 125 c.c two wheeler is the most popular and highly accepted brand by the riders.However,satisfactory preference is given to Bajaj &Hero Honda brands.
- ❖ Yamaha is found to be a highly advertised brand. Television,print medium,hoarding board,event sponsorship etc are the mediums of advertisement.

- ❖ Large number of bikeholders are found influenced by the advertisement. Thus advertisement strategies of two wheelers has been found successful.
- ❖ Maximum consumers are found brand oriented (i.e their buying decisions are influenced by brand names) then only the next preference is given to the performance/mileage.
- ❖ Hero Honda's 125c.c two wheeler is found highly fuel efficient due to its extra ordinary engine and light design which is liked by the riders to a large extent.
- ❖ Yamaha, Hero Honda and Bajaj occupy first, second and third position respectively in the market in terms of sales.
- ❖ Hero Honda is found to be the major concern of the service holders and Yamaha is given much interest by the businessmen.
- ❖ Television is found as the most popular media of advertisement in Dharan. Print media is given the second importance but other medias are less preferred by the marketers.
- ❖ Yamaha has been doing good business in comparison to others due to its sales promotion strategy such as intensive brand advertising, easy financial solutions, exchange offers etc. Besides these, the brand is considered quite older and renowned in the market. It has been proved strongly fit in Nepal's distinct geographical perspective.
- ❖ Hero Honda has gained acceptance on the ground of comfort and fuel efficiency.
- ❖ Bajaj seems to be excelling in the deal of larger c.c model two wheelers in Dharan. Consequently it's 125 c.c bikes are pushed behind in the shadow. Datas of sales representing 150 c.c & above models seem to be

exciting. For instance; 150 c.c Bajaj Pulsar is given higher priorities in the market for its sporty looks, design and engine capacity.

- ❖ Yamaha is quite popular between married consumers because of its comfortable design targeted to the couples. Like for example, Yamaha's 125 c.c Enticer possesses flat seat with wider foot rest. Double riding is less risky due to its protective design at the back and shorter height.
- ❖ Bajaj's 125 c.c is quite stylish. A rider experiences slight bending of the body which lessens the comfort. Actually such design is preferred by young riders who are unmarried.
- ❖ Yamaha's demand trend analysis shows increasing demand pattern in the past which is also expected to rise in the future.
- ❖ Companies, after evaluation, are found rendering after sales services like; free servicing, warranty, insurance guidance, counseling and so on.

CHAPTER-FIVE

SUMMARY, CONCLUSION & RECOMMENDATION

5.1 Summary:

Sales and marketing policy can have profound impact over the marketer's performance in the future. Actually sales refer to the act of transferring the physical ownership of a product to the person who is willing to exchange something of value against the product. But the same instinct of an individual i.e willingness does not remain stable in an individual regarding a product. Infact, the willingness or desire to adopt certain brand or a commodity in case of an individual depends on many other aspects. To attract an individual towards a brand is however, every marketer's goal, but that too is not an easy task in itself. Prior knowledge about the consumers is that's why thought essential for the marketers so that they can have positive impact on the consumers' decisions about a product. Thus consumer studies should be pursued by the marketers in order to furnish appropriate marketing strategy ahead.

So, far as the theme or the background of this study is concerned, 'Consumer Behaviour' is given the first priority. Consumers' perception evaluation and decisions are regarded meaningful and important on the account of commodity dealing. Sales and demand estimates are made by using regression tool in the study to find out the number of potential consumers and demand supply relation. Advertisement study is also equally focused by the study as a key element in

changing the mind set of consumers' regarding a product. Most of the consumers are found influenced by tele-advertisement. Various factors that influences a consumer while making a purchase decisions are also identified by the study. The main motive behind the purchase of a commodity is found to be the 'Brand'.

Yamaha's 125 c.c is found very popular and well accepted by the consumers in the market. Secondly Hero Honda's share in the market is found attractive which is followed by Bajaj. The study also analyses segmentation variables affecting the sales of two wheelers in different brands.

In totality, this study is a complete analytical document which undergoes a deep study over the subjects related to the sales and marketing of two wheelers in Dharan.

5.2 Conclusion:

- ❖ Yamaha is the largest 125 c.c two wheeler selling brand in the market which is followed by Hero Honda & Bajaj respectively.
- ❖ Age group, marital status, professional status etc are some market segmentation variables undertaken by the dealers.
- ❖ Under the age group segmentation, (18-25), (25-40) and (40 & above) are the three criterias of study. Hero Honda is popular between (18-25), Yamaha is famous in (25-40) and (40 & above) age group.
- ❖ Among the professionals, large number of businessmen favour Yamaha where as service holder's larger choice is Hero Honda.

- ❖ Consumers select the product on the basis of evaluation criterion such as brand, performance/mileage, resale value, looks/designs, finance service etc.
- ❖ Brand switching is found among the consumers who are looks or design oriented.
- ❖ Brand is given higher priority by the consumers before reaching a buying decision.
- ❖ Television is the favourite media of advertisement of two wheelers for the consumers.
- ❖ Yamaha is highly advertised brand.

5.3 Recommendation:

- ❖ Since, 125 c.c two wheelers are demanded, fuel efficient and of low cost, it is recommended that the companies should promote its sales.
- ❖ Brand loyal customers are very important for the long term survival of a business. Hence, retention of brand loyal customer should be the companies' strategy.
- ❖ Companies' television advertisement should be informative rather than thrilling or entertaining.

- ❖ Companies are also suggested to adopt local advertisement policy which is relatively cheaper and highly influencing in comparison to National level advertisement. By doing this, companies can extend their sales in one hand and in the other hand, the companies can have better relation at the local level.
- ❖ It is recommended that, the dealers must review their before sales and after sales service strategies in order to boost up the satisfaction level of the customers.

- ❖ Dealers are also suggested to accept customer's complaints in a cordial manner so that an environment of trust between the buyer and seller could be established.

- ❖ Bajaj & Hero Honda brands are suggested to expand their sales among large group of consumers by adopting appropriate marketing strategies. Relationship marketing, launching of service camps, schemes and exchange offers can be effective in this regard.

- ❖ Dealers must try to meet consumers' demand every year. Marketing information system has to be properly followed for timely implementation of plans and policies.

- ❖ In the course of study, dealers are found less guided by sales targets which is an inevitable component of marketing. Hence, the dealers are suggested to fix a sales target and move forward with target fulfillment strategy.

- ❖ Advertisement influence rate is found satisfactory. So, it is suggested to continue the advertisement of two wheelers until its impacts are lessened.