

# MARKETING STRATEGY OF TWO WHEELERS

(A COMPARATIVE STUDY OF HERO HONDA AND BAJAJ MOTORBIKES)

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## INTRODUCTION

### **Background of the Study**

Nepal is one of the least developed countries of the world. Most of the part is covered by mountains and hills. Only a small part is covered by Tarai. Construction of roads is very difficult on these rugged hills and mountains which have intensified the poverty of the country. Industries are very few in our country. Most of these industries are agro-based and are of small and medium scale. Import is far greater than export which has adverse effect on balance of payment of our country. This trade deficit has plunged the country in an ocean of poverty and debt. Nepal hasn't been able to diversify its trade with other countries. Major part of its trade is confined to India. Moreover, Nepal has to largely depend on India for transit due to its land locked ness. Till 1951 A.D., Nepal was kept in a state of virtual isolation from the rest of the world. It was only in 1956 A.D. that the country launched its first Five Year Plan and got into the process of development. With the civilization of human being, there came every possible facility in their lives by themselves for more and more convenient life.

Today we can find every Corner of this world as very cozy place due to the development & advancement of more and more improved and latest technologies. Most of such inventions have undoubtedly made lives faster and easier.

Amongst these inventions for people's lives, automobile was also invented in 1886 AD which was really significant event. Such then, every possible effort is being employed for the better features and specification of automobile. Now with this constantly being modified and better featured man made object, man is really attaining better lives.

Every line of vehicles is regularly rendering services to the people according to their respective features and objective of their production and development whither it is Motorbike, Car, Jip, Van etc.

In the very contest of vehicles, two wheelers vehicles has become a necessary part of today's busy lives. With the rapid growth of life style, Nepalese people are also being very eager to have private bike. Exploring and watching all these demand of the Nepalese people, its neighboring countries and third countries are more eager to produce and export which are suitable to our country's road and family status. So, we can see the very fact is happening here in Nepal. Nepalese roads are getting busy with two wheelers vehicles.

So, we can see that the two wheelers vehicles for today's business as well as social lives are getting a necessity. It has made the day to day lives easier, faster.

### **Focus of the Study**

The study will focus on the effectiveness of marketing practices of the two wheel vehicles like motorbike. Today's drastically changing market is covered, handled and managed with the grate help of today's sophisticated marketing management and sales promotion and this reality can not be denied. Every product or service is created for the consumer or customer to use and it is achieved through proud selling or offering of best product or service with best advertising and promotional tools.

The practices of marketing and sales promotion are getting increasing importance and scope in the marketing management. At the same time it is getting vast with the competitive environment of the same subject, i.e. advertising and sales promotion. So, fit is as important to built strong and wealthy marketing strategy and policy as important to understand, win and retain the market for the product or service. Implementation of such policy and strategy soul in optimum manner, hence the study is to

describe the marketing practices of two wheelers vehicles especially Hero Honda and Bajaj Company.

### **Statement of the Problems**

In Nepal two wheelers vehicles importers are facing tough competition. Most of the importers are launching ambitious marketing strategy in the market. In this ground, marketing of Hero Honda and Bajaj motorbike in Nepal is tough and ambitious. Generally, Hero Honda motorbike is considered to be high class vehicles and expensive but on the other hand, Bajaj motorbikes are categorized as middle class motorbike and has reasonable price.

Due to mountainous country, it is difficult to build road, railway track and airport in Nepal. It is costly to construct road and railway track in the hills. Besides, Nepal hasn't enough budgets to construct the road and railway track in the hill.

### **Objectives of the Study**

Product marketing in Nepal has become very important in recent years. Without marketing, it has become almost impossible to sale product in the Nepalese market. In this study, researcher has tried to find out the marketing of Hero Honda and Bajaj motorbike.

### **The major objectives of the study are as follows:**

1. To evaluate the sales trend of two wheelers vehicles (Hero Honda & Bajaj) in Nepal.
2. To analysis the marketing strategies apply by Hero Honda and Bajaj Motorbike.
3. To examine the market situation of Hero Honda and Bajaj Motorbike in Chitwan.
4. To analysis consumer attitudes towards Hero Honda and Bajaj Motorbike.

## **Research Questions**

While preparing this thesis, researcher attempts this question to fulfill the objectives.

1. What kind of sales trends of two wheel vehicles is in Nepal?
2. Which marketing strategies are applied by Hero Honda and Bajaj Motorbike?
3. What is the market situation of Hero Honda and Bajaj Motorbike in Chitwan?
4. What are the main factors, which motivates the consumer to purchase Hero Honda and Bajaj Motorbike?
5. Is customers are satisfied by purchasing the Hero Honda and Bajaj Motorbike?

## **Need of the Study**

Many companies are involved in importing different brands of motorbike. All the companies are using almost same marketing strategies for selling the product. Due to the cut throat competitions in the market, it is necessary to try new strategies to capture and expand the market. In this ground, it is felt necessary to make research while marketing of the Hero Honda and Bajaj Motorbike.

## **Limitation of the Study**

1. This study will focuses only two brands of the motorbike namely Hero Honda and Bajaj other brands are ignored.
2. The data are collected only of five years starting from 2006/07 to 2010/11.
3. The secondary data are in national level, but primary data were based in Chitwan district.
4. The reliable of secondary data were based on office record of companies.

## **Research Gap**

Researcher recommended that it could be helpful for developing: specific marketing strategy, marketing segment, identify popular features and factors that customers of Chitwan district for specific brand of two wheelers vehicles Hero Honda and Bajaj Motorbikes. New exclusive study could be started to find out the level of brand awareness, customer's satisfaction and effectiveness of promotional effects of Hero Honda and Bajaj Motorbikes.

## **Major Findings**

Nepalese market is following the global market concept. It is not easy to do business in Nepalese market because of booming global economy, the increasing and decreasing power of Dolor, increasing political unrest in the world, rising economic power of China and India in the world.

- According to above result, the average sales of Hero Honda Motorcycles 18436 units and Bajaj Motorcycles are 6399 each year. The standard deviation of Hero Honda and Bajaj are 9224.96 and 2112.61 respectively. Similarly, the coefficient of variance of Hero Honda and Bajaj are 50.14% and 33.01% respectively.
- Bajaj and Hero Honda motorcycles are well established brand in Nepal. Generally, Bajaj and Hero Honda motorcycles are renowned as economic bikes for the Nepalese people.
- According to above result we can say that marketing strategies of Hero Honda more effective than the Bajaj because Hero Honda bikes were sold more than Bajaj Motorcycles. The coefficient of variation of Hero Honda Motorcycles is more than Bajaj Motorcycles.
- Sales trend of Hero Honda motorcycles is highly increasing trend and Bajaj motorcycle sales trend is moderate increasing trend.

- Most of respondent used Hero Honda Motorcycles which is 43% and 28% respondent are used Bajaj Bikes and 29% used other various brand of motorcycles.
- 41% respondent are buying motorcycle for good performance, 37% respondent want to economic fuel efficiency and 22% respondent buy motorcycle which have more safety feature.
- 45% respondent are buying motorcycle motivate by family, 15% respondent are buying friends & relatives request and 25% respondents are buying motorcycle own decision.
- 43% respondent are think performance is very essential things for buying motorcycle, 22% respondent are think appearance is very necessary, 28% respondents buying motorcycle if finance scheme is available and 7% respondents buying motorcycle future guarantee
- 35% respondents are saying Hero Honda is most popular in Nepal. 25%, 20% & 20% are saying Yamaha, Bajaj & others respectively.
- In average they are 100-150 CC such as Hero Honda, Bajaj, Yamaha etc.
- 16% customers buy motorcycle in special occasion such as greatest festival Dashain, 14% Tihar in Nepal, 25% buy motorcycle when authorized dealers used to do New Year discount offer and most of 45% want to motorcycle when gift voucher or cash discount for promotion.

### **Summary**

Nepal has been importing number of motorcycle in the country. Different brands and different country made motorcycle are imported in the country. World standard motorcycle like Hero Honda, Yamaha, Bajaj,

Royal Enfield etc has distributed a lot in the development of the transportation system in Nepal.

In each year, the thousand of motorcycle are imported. Two wheelers vehicles of different brands and quality are being imported in the country. Hero Honda and Bajaj bikes are doing well in the global market as well as Nepalese market, Hero Honda and Bajaj bikes are in the good position in the worldwide sales.

There is no other voice against the importance of advertisement because it is true that advertisement plays a vital role in the field of marketing of any product and services. An ISO certified company and other successful companies are making expenses of huge amount on the advertising of the product or services. A remarkable portion of marketing budget is devoted to advertising. Advertisement has become a means of very easy and prompt mass communication. Any organization can communicate its mission, object, service and product to its target market. Advertising is one of the most important promotional tools that companies to direct persuasive communications to target buyers and publics.

Syaker Nepal Pvt. Ltd. and HH Bajaj Pvt. Ltd. are getting aggressive to push the Hero Honda and Bajaj bikes in the market. It is adapting every possible and available promotional tool to sell its product in the market. Those schemes are also working to help the product. It wants to have the challenger attitude not the leader the market. The two companies believe that technologically advanced product and the strong brand appeal are pulling the feet of the customers toward showroom. To capture the greater market share the companies is expanding its sub-dealers and personal sell agent. Not only that they also importing the most wanted two wheelers vehicles such as Hero Honda, Yamaha and Bajaj bikes.



To capture more its market, both companies are regularly doing social work such as blood donation, sport event and exchanging facility, mobile service etc. They always were trying to launch new model and new technology.

## **Conclusion**

Topographically, Nepal is classified in to three regions-the northern Himalayan range, the middle mountain region and southern plain Tarai. The climate varies sharply with altitude and the arctic on the higher peaks of Himalaya range to humid sub- tropical in the central Kathmandu valley and hot climate in the southern belt. The infrastructure of Nepal is not good.

- In the context of Nepalese market, Hero Honda and Bajaj bikes are the successful brand even they have taugt competition. These brands are successful due to its world class standard, efficient and prompt after sales services provided by importers.
- Hero Honda and Bajaj bikes are in the good position in worldwide sales. These brands have given grease contribution in the development of country, living standard of Nepalese people and to generate high tax.
- Each year thousand of two wheelers vehicles are imported in the country. Import of so many bikes has made the road slow in the city.
- Two wheelers vehicles are increasing day by day but the roads for those newly imported vehicles have not been constructed. So traffic has become slow in the pick hour 9am-11am and 4pm- 6pm.
- Too many traffic in the city has been making the pollution in the city. Sound and air pollution are the major problem in the city.

Thus the government should take the necessary action and should check vehicles green sticker time to time.

- Its competitor has been advertising its product in each and every media so as to inform about the product, price, new features and models but Syaker Nepal Limited and HH Bajaj Pvt. Ltd. do not advertise regularly as its competitors do due to this, its close competitors sales have increased.
- Syaker Nepal Limited and HH Bajaj Pvt. Ltd. has introduce new promotional schemes regularly, has good after sales services but Syaker Nepal Limited and HH Bajaj Pvt. Ltd. sales volume is increasing due to ineffective after sales service and petrol shortage.

**Recommendations:**

Nepalese market is basically seller-oriented and the bargaining power of the people is weak. There fore is lack of the product and market specialization in the country. Here are some recommendation for Syaker Nepal Limited and HH Bajaj Pvt. Ltd. which would help them for the better sales and better marketing performances.

- Nepal has tremendously imported the bikes from the second/third countries. The import of the bikes has been increasing in each year. The government should take restriction in the import of two wheelers vehicles.
- In Nepal, almost all kind of two wheelers vehicles are imported. There are many bikes choice in the term of price and giving facilities such as tools bag, disk break, jackets etc.
- Hero Honda should bring aggressive marketing scheme to increase the sales volume. Its competitors have not stepped aggressively in

the market. So, can take chance and can increase the sales by providing various facilities and reducing the price as well.

- The advertisement informing about the important feature and benefits of the two wheelers vehicles should come out regularly such tools bag, disk break, jackets etc.
- Mobile service should be launched.
- After sales service support should be well maintained and upgraded since the satisfied customers are the best advertiser of the product.
- For the customer relationship, company should do social work such as blood donation, folk dance competitions, scholarship etc.
- Sales person and marketing executive should be trained about the technical feature and specifications to have better product and customer behavior.
- Companies are giving only festival discount; company should also give customer's birthday discount.
- Some companies are irritating to customer by giving phone call, company should do this according finding the potential customer.
- Company should appoint the individual agent to increase sales.