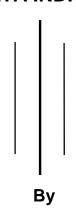
# "MARKET POTENTIAL ANALYSIS OF CARS, IN KATHMANDU VALLEY WITH A FOCUS ON TATA INDIGO"



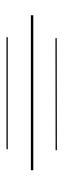
#### **BIDUR PRASAD KHAREL**

Shanker Dev Campus T.U.Regd, No:7-1-242-015-98 Campus Roll No:1847-2060/62

### **A Thesis**

#### Submitted to:

Office of the Dean Faculty of Management Tribhuvan University



In partial fulfillment of the requirement for the **Degree of Master of Business Studies (M.B.S.)** 

Kathmandu, Nepal February, 2010

# RECOMMENDATION

This is to certify that the Thesis

Submitted by:

BIDUR PRASAD KHAREL

Entitled:

### "MARKET POTENTIAL ANALYSIS OF CARS, IN KATHMANDU VALLEY WITH A FOCUS ON TATA INDIGO"

has been prepared as approved by this Department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

Dr. N.K. Pradhan (Thesis Supervisor)

Prof. Bisheshwor Man Shrestha (Campus Chief)

Prof. Dr. Kamal Deep Dhakal (Campus Chief)

# **VIVA- VOCE SHEET**

We have conducted the viva-voice examination of the thesis presented

#### By BIDUR PRASAD KHAREL

#### Entitled:

"MARKET POTENTIAL ANALYSIS OF CARS, IN
KATHMANDU VALLEY WITH A FOCUS ON TATA INDIGO"
And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for

Master Degree of Business Studies (M.B.S.)

### **Viva- Voice Committees**

Head, Research Department	
Member (Thesis Supervisor)	
Member (External Expert)	

### **DECLARATION**

I hereby declare that the work reported in this thesis entitled "Market Potential Analysis of cars in Kathmandu valley, with a focus on Tata Indigo" submitted to Shanker Dev Campus "Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master's Degree in Business study (M.B.S.) under the supervision of Dr. Narayan K. Pradhan, Shanker Dev campus.

.....

**Bidur P. Kharel** (Researcher)

T.U.Regn.N. 7-1-242-15-98

Campus Roll N0.1847/2060/62

#### **ACKNOWLEDGEMENT**

This research work is an attempt to analysis the Market Potentiality of Cars in Kathmandu Valley. An attempt has been made to explore the potential theoretically as well as empirically. A manager of marketing should have well defined estimates of the market potential of his new and existing product.

While writing this thesis, I have been greatly helped by the advices and suggestions of my respected teacher on various drafts of my typescript. Before mentioning anyone else, I shall make a special mention of Dr. Narayan K. Pradhan, to whom I am greatly indebted. His untiring Supervision, inspiration, and kind cooperation have brought this research work to a finish.

I take an honour to acknowledge having valued suggestions from Prof. Dr N.K. Pradhan.I also grateful to Kamaldip Dhakal, chief of Shanker Dev campus. I am also grateful to Shree Bhadra Newpane Asst. Campus chief, shanker dev Campus for making arrangements for initiating the research.

I am indebted too to Mr. Anup Kumar Baral, Asst manager of Sipradi Trading pvt ltd and Sachin sir of Kia Motor for his full cooperation in this regard. This work has some very valuable inputs of Materials, relevant to my thesis from him. I am thankful to managers and sales staffs of some car dealers companies for their cordial help. I am also thankful to Department of Transportment Management for providing updated registration data.

I would also like to express my heartfelt gratitude to my family and friends especially Nirajan Amatya (Ujjwal), Binod Upreti, Samraj Tamang, Sunny Lama, Bini Nepali, Homraj Bhatterai, Birendra Das, Susma Joshi and all my colleagues who had continuously encouraged and inspired me to complete this thesis work.

Kathmandu, 2010

Bidur P. Kharel

# **TABLE OF CONTENT**

Recommendation
Viva-voce sheet
Declaration
Acknowledgement
List of Tables
List of charts

### **CHAPTER I**

INTR	CODUCTION	Page No
1.1	General Background.	1
1.2	History of Cars	2
1.3	Objectives of Study.	3
1.4	Present car market Scenarios.	3
1.5	Company profile.	4
1.6	Tata Indigo.	7
1.7	Focus of the study.	9
1.8	Statement of problem.	
1.9	Significance of Study.	
1.10	Limitation of the study.	11
1.11	Organization of study.	12
	CHAPTER II	
	REVIEW OF LITERATURE	
2.1	Conceptual Review	14
	2.1.1 Fundamental of marketing	14
	2.1.2 Marketing Management	15
	2.1.3. Market Demand	17
	2.1.4 Market potential	18
	2.1.5. Uses of market potentials	21
	2.1.6 Method for measuring market potential	22

2.2	Review of Related Studies	27
	2.2.1. Reviews of Theses	27
	2.2.2 Review of Projects Reports	29
	2.2.3 Review of Articles/ other publications/ Websites.	32
	CHAPTER III	
	RESEARCH METHODOLOGY	
3.1.	Research Design	45
3.2.	Population and Sample.	45
3.3.	Sources of Data	46
3.4	Data Collection Technique	46
3.5	Data Analysis Tools	46
3.6	Method of Data Analysis	47
3.7	Review of Related studies	47
	CHAPTER IV	
	DATA PRESENTATION AND ANALYSIS	
4.1.	Present car market scenarios	48
	4.1.1 Registration of cars	48
	4.1.2. Passenger car market share analysis	54
	4.1.3 Comparative Study of cars	59
4.2	Market position of Tata Indigo.	64
4.3.	Technical Analysis of Tata Indigo	67
4.4	Spoil yourself	70
4.5	Competitors analysis of tata indigo	72
	4.5.1 Comparative Study of prevailing Prices.	73
4.6	Review of Prevailing Prices of Tata Indigo	76
4.7	SWOT Analysis of Tata Indigo	77
4.8	Customer survey analysis	78
	4.8.1 Customer's purchase behaviour.	78

	4.8.2 Customers attitude towards different brands of car	78			
	4.8.3 Customer's preference of different car segments	80			
	4.8.4 Petrol Vs Diesel car	82			
	4.8.5 Calculation of market potential.	82			
4.9	Car Dealer's survey analysis on focus of Tata Indigo	85			
	4.9.1 Dealer's Purchase Behaviour	86			
	4.9.2 Daler's attitudes towards different brands of car	87			
	4.9.3 Petrol Vs diesel cars	88			
4.10	Major Findings of the study	88			
CHAPTER V					
	SUMMARY, CONCLUSION AND RECOMMENDATION				
5.1	Summary and conclusion	95			
5.2	Recommendation	96			

# LIST OF TABLES

Table N	No. Title	Page No
1.1	Ranges of products offered by Sipradi Trading	6
4.1	Registration of car/Jeep/van in Nepal.	49
4.2	Registration of car/Jeep/van in Katmandu valley for past 15 year	rs 51
4.3	Zone wise car/jeep/vans registration dispersion in 2064/65.	53
4.4	Monthly sales of cars in Kathmandu Valley Year in 2007/08 and	1 2008/09.57
4.5	Comparative Sales and Market share of A – segment cars	60
4.6	Comparative sales (units) and Market share of B- segment cars	60
4.7	Comparatives Sales and Market share of C – segment cars	61
4.8	Segmentation of cars on the basis of country of origin.	62
4.9	Market share analysis of Tata indigo.	64
4.10	Tata Indigo sales Dispersion.	66
4.11	Sales of Tata Indigo for one year after its launch	67
4.12	Prevailing prices of C-segment cars	74
4.13	Current prices of Tata Indigo as on 18.06.2009	76
4.14	Rating of various attributes in a car by respondents	78
4.15	Models of car preferred by customers	79
4.16	Rating of various brands on the basis of some attributed/ features.	80
4.17	Preference of car segment by respondents	81
4.18	Respondents preference for Diesel Or petrol car	82
4.19	Calculation of estimated market potential of cars using market surv	vey approach.83
4.20	Market potential of cars in Katmandu Valley.	84
4.21	Dealer wise Tata Indigo's sales ratio	85
4.22	Rating of various attributes in a car by respondents	86
4.23	Brands of car preferred by dealers	87
4.24	Respondents preference for diesel or petrol cars.	88

## LIST OF CHARTS

Table No.	Title Page No	
4.1	Registration of car/jeep/van in Nepal and its Chart.	50
4.2	Registration of car/Jeep/van in Katmandu valley for past 15 years.	52
4.3	Passenger car MKt Share 2004/05	54
4.4	Passenger Car market Share 2005/06	55
4.5	Passenger Car market share 2006/07	56
4.6	Passenger Car Market share 2007/08	57
4.7	Monthly sales of cars in Ktm valley in 2007/08	58
4.8	Market share of Tata Indigo in 2007/08	65
4.9	Age wise mix of potential customers	81
4.10	Respondents preference for diesel or petrol car	82
4.11	Graphic view of market potential of cars in Kathmandu valley	84

## **ABBREVIATIONS**

% Percentage

& And

A.D. Annodomini

B.S. Bikram Sambat

GDP Gross Domestic Product

i.e. That is

Ktm. Kathmandu

LCV Large Chassis Vehicle

M.D. Managing Director

MCV Medium Chassis Vehicle

Mkt Market

N/A Not Available

No. Number

S.No. Serial Number

SCV Small Chassis Vehicle

Vs. Verses

WTO World Trade Organization