



MARKET POTENTIAL AND BRAND AWARENESS TOWARDS AUTOMOBILE INDUSTRY

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Abstract: *This paper analyzes awareness level of consumer's different brands. The paper examines the consumer's perception in different attributes towards two wheelers. And also the paper explores on reasons and intensions of purchasing decisions.*

Keywords: *Awareness, Attributes, Brands, Consumer's Perception, Intensions, Purchasing Decisions*

INTRODUCTION

The automotive industry is a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles. It is one of the world's most important economic sectors by revenue. The automotive industry in India is one of the largest automotive markets in the world. It was previously one of the fastest growing markets globally, but it is currently experiencing flat or negative growth rates. In 2015, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea, and Thailand, overtaking Thailand to become third in 2016.

Automobile industries are one of the fastest growing areas in both developed and developing countries where in HONDA plays a major role in development of automobile industry, as a multinational company from Japan established in 1959 and today world's largest manufacturer of internal combustion engines. In India it has well established itself as a famous moped manufacturing organization. The demand of moped vehicle is growing continuously in India.

The study is in Mysore city, the objective of this study is to analyze various factors considering by customers for opting mopeds over motor cycle. The data is collected from 100 respondents of different age groups, and occupation in Mysore city. The study focus to analyze various factors of market potential and brand awareness towards HONDA ACTIVA in Mysore city and those factors are presented in an empirical manner with the help of table and charts.



STATEMENT OF PROBLEM

HONDA ACTIVA is one of the largest selling two wheelers in India and to know the strength and weakness of these two wheelers. The study has been conducted.

RESEARCH METHODOLOGY

In this research convenience sampling has used. The total sample size taken for survey is 100 respondent primary and secondary data used for data collection.

SCOPE OF THE STUDY

1. Finding out the strength and weakness attributed to HONDA ACTIVA.
2. Finding the number of future purchases.
3. Finding the market potential and awareness of this vehicle
4. Finding the position of the vehicle among the competitors
5. Finding the perception of consumers about the vehicle.

LIMITATION OF THIS STUDY

1. Project work and study is confined to Mysore city only.
2. The data was collected only from 100 respondents. Their feeling and views are portrayed in a statistical and graphical manner. This itself can be a limitation.

The overall sample size is 100. Hence this is not to be a truly representative picture.

OBJECTIVE OF THE STUDY

1. To analyze the awareness level of the consumer's about different brands of two wheelers.
2. To determine the consumer's perception regarding different attributes of two wheelers.
3. To study the consumer's perception regarding HONDA ACTIVA in particular.
4. To describe the reasons and intentions of purchasing decisions.

BRAND AWARENESS

Brand

Consumer views a brand as an important part of a product and branding can add value to a product. For example, most consumers would perceive a bottle of white linen perfume as a high quality, expensive product. But the same perfume in an unmarked bottle would likely be viewed as lower in quality, even if the fragrance were identical.



Branding has become a major issue in product strategy. On the one hand, developing a branded product required a great deal of long marketing investment, especially for advertising promotion and packaging.

Branding

Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect and enhance brands. A brand is a name, term, sign, symbol or design or a combination of these intended to identify the products or service of one seller in-group of seller and to differentiate them from those of competitors.

A brand is a seller promise to deliver consistently a specific set of features, benefits and services to buyers. The best brands convey a warranty of quality. According to one marketing executive, a brand can deliver up to four levels of meaning: -

Attributes

A brand first brings to mind certain product attributes. For e.g. Mercedes, suggests such attributes as "well engineered" "well built," "durable", "high prestige", "fast", "expensive" and "high resale value". The company may use one or more of these attributes in its advertising for the car. For years Mercedes being advertised engineered like no other in the world. This provided a positioning platform for other attributes of the car.

BRAND MANAGEMENT

Today the primary capital of many businesses is their brands. For decades the value of a company was measured in terms of its real estate, then tangible assets, plants and equipment's.

However it has recently been recognized that company's real value lies outside business itself, in the minds of potential buyers or consumers.

"A brand is both, tangible and intangible, practical and symbolic, visible and invisible under conditions that are economically viable for the company" (Kapferer, 1986).

Brands are built up by persistent difference over the long run. They cannot be reduced just to a symbol on a product or a mere graphic and cosmetic exercise. A brand is the signature on a constantly renewed, creative process which yields various products. Products are introduced, they live and disappear, but brands endure. The consistency of this creative action is what gives a brand its meaning, its content, and its characters': creating a brand requires time and identity.



COMPANY PROFILE

India is the third largest producer of Two-Wheelers after Japan and China, and the second largest consumer after China, despite the poor road infrastructure and the meagre purchasing power, the two wheeler industry in India has enjoyed a wider appeal with the masses as a means of private transportation. Two-wheelers are usually classified in 3 types Scooters, Motorcycle and Mopeds. A look at the post independence era shows the Two-wheeler industry has witnessed three distinct phases of growth.

Honda Motor Company, Japan with its headquarters in Tokyo, has manufacturing operations in 32 countries with 109 production bases. It has 3 business divisions namely 2-wheelers, 4-wheelers and Power Products. Apart from HMSI that manufactures 2-wheelers, the other Business divisions in India include Honda Siel Cars India Limited

(HSCI) and Honda Siel Power Limited (HSPL). The company principal of Honda Worldwide is dedication to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction.

AN OVERVIEW OF HONDA MOTORCYCLE & SCOOTER INDIA PRIVATE LIMITED (HMSI)

Honda is the world's largest manufacturer of 2-wheelers. Its symbol, the Wings, represents the company's unwavering dedication in achieving goals that are unique and above all, conforming to international norms. These wings are now in India as Honda Motorcycle & Scooter India Pvt. Ltd. (HMSI), a wholly owned subsidiary of Honda Motor Company Ltd., Japan. These wings are here to initiate a change and make a difference in the Indian 2-wheeler industry. Honda's dream for India is to not only manufacture 2-wheelers of global quality, but also meet and exceed the expectations of Indian customers with outstanding after sales support. They are the world leaders in Motorcycles and also pioneer in four-stroke technology. It has manufacturing operations in 32 countries with 109 production bases. They have collaborators and technical ties their own subsidiary. Before Honda came to India, they made a survey of a two-wheeler market, which was dominated by Bullet and Yezdi Motor cycles, which were old in technology, and also with an outdated, look. During time, Honda Motor Company Ltd. realized there was a huge demand for technically advanced fuel efficient, lighter machines. In addition to this, their study also revealed poor public transportation at an economical and affordable of having personal mode of



transportation at an economical and affordable price was need of the hour. Hence, Honda Motor Company Ltd established its own manufacturing unit in India.

HONDA MOTORCYCLE & SCOOTER INDIA PVT.LTD.(HMSI)

| | |
|---------------------|--|
| Official Name | Honda Motorcycle & Scooter India Pvt. Ltd. |
| Established | 20th Oct. 1999 |
| Place | New Delhi, India |
| Capital | Rs. 300 Crore |
| Representative | Mr. Haruo Takiguchi, President & CEO |
| Location | Manesar, District Gurgaon, Haryana, India |
| Production Capacity | 200,000 units per year |

Product Profile

Honda Activa is the first scooter model of HMSI for the Indian Market. It has revitalized the Indian scooter market after its launch in the year 2001. Within the 1st year of its launch it has been awarded The '**Scooter of the Year**' by **Overdrive magazine** and '**Readers Choice Award**' for the best scooter by **Auto India Magazine**. The Honda Activa has set a new standard for new era of scooters in India. It has been developed exclusively for the Indian market after closely examining the changing lifestyles and needs of the consumers.

The Honda Activa has been designed to cater to the people who believe:

- The conventional Indian scooter is too big and difficult to handle.
- The scooterette is too small and similar to mopeds.

The Honda Activa is equipped with a number of new functions and Mechanisms, introduced for the first time in India. It is designed to Offer greater functionality, performance, economy, and ease of Handling and maintenance to a wide cross-section of the Indian Society.

Competitors:

Active Honda has a close Competitors in Market like

- ➔ Suzuki
- ➔ Hero
- ➔ TVS
- ➔ Piaggio

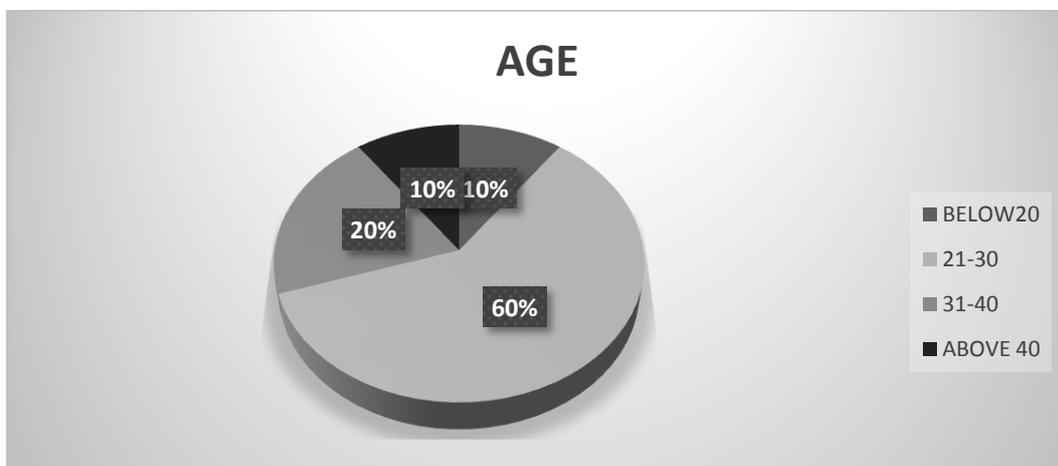


Table 1- CLASSIFICATION OF RESPONDENTS ON THE BASIS OF AGE

| AGE | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | BELOW20 | 10 | 10.0 | 10.0 | 10.0 |
| | 21-30 | 60 | 60.0 | 60.0 | 70.0 |
| | 31-40 | 20 | 20.0 | 20.0 | 90.0 |
| | ABOVE 40 | 10 | 10.0 | 10.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

Majority of the respondents belong to the age group between 21-30 (60%). The next highest number of respondents belongs to the age group of 31 and 40 (20%), 10% of the respondents are below 20 years of age. Just 10 % respondents are below 40 years of age.



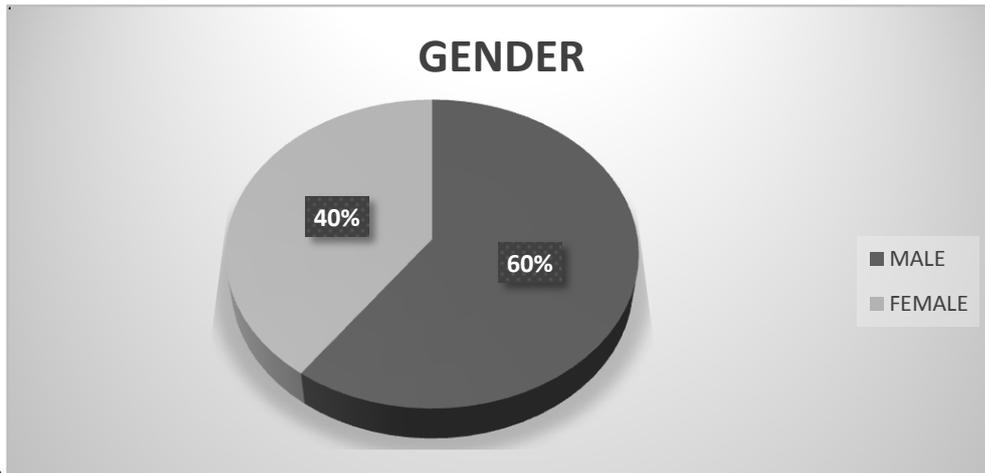
Inference: Hence it can be inferred that majority respondents are between age group of 21-30 years.

Table-2 classification of respondents on the basis of gender

| GENDER | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|--------|-----------|---------|---------------|--------------------|
| Valid | MALE | 60 | 60.0 | 60.0 | 60.0 |
| | FEMALE | 40 | 40.0 | 40.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

Maximum 60% were male and 40% were females



Inference

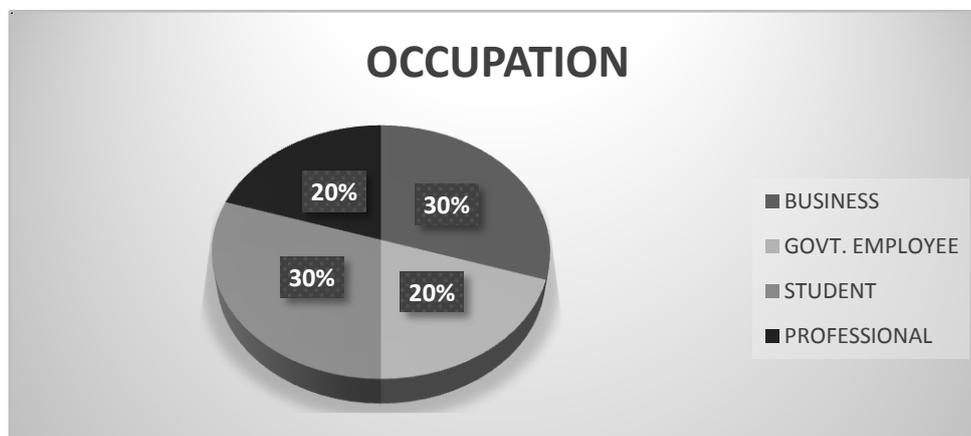
Hence it can be inferred that majority respondents are Males.

TABLE- 3 CLASSIFICATION OF RESPONDENTS ONTHE BASIS OF OCCUPATION

| OCCUPATION | | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|----------------|-----------|---------|---------------|--------------------|
| Valid | BUSINESS | 30 | 30.0 | 30.0 | 30.0 |
| | GOVT. EMPLOYEE | 20 | 20.0 | 20.0 | 50.0 |
| | STUDENT | 30 | 30.0 | 30.0 | 80.0 |
| | PROFESSIONAL | 20 | 20.0 | 20.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

Maximums of 30% of the respondents belong to Business category. Another 30% were Students' category. Government employees occupies 20% share of the respondents. Professionals occupy 20% of the total sample survey.



Inference

Hence it can be inferred that majority respondents were Businessmen and Students.

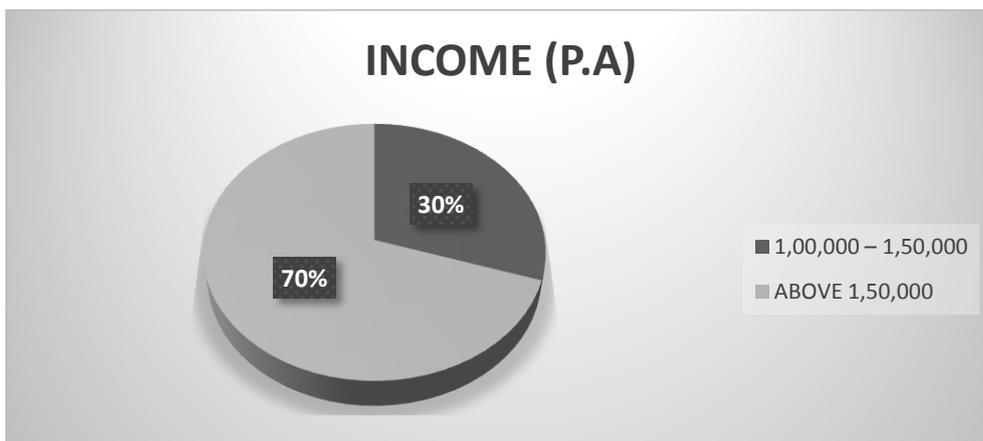


TABLE –4 CLASSIFICATIONS OF RESPONDENTS ON THE BASIS OF INCOME

| INCOME(P.A) | | | | | |
|-------------|---------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1,00,000 – 1,50,000 | 30 | 30.0 | 30.0 | 30.0 |
| | ABOVE 1,50,000 | 70 | 70.0 | 70.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

30% of the respondents have an annual income below Rs.1, 00,000 to 1, 50,000, and 70% earns above 1, 50,000 in a year.



Inference

Hence it can be inferred that majority respondents belongs to an income group of above 1, 50,000.

TABLE -5 CLASSIFICATIONS OF RESPONDENTS ON THE BASIS OF VARIOUS BRAND PREFERENCES OF TWO WHEELERS

| BRAND PREFERENCE | | | | | |
|------------------|--------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | HONDA | 40 | 40.0 | 40.0 | 40.0 |
| | SUZUKI | 20 | 20.0 | 20.0 | 60.0 |
| | BAJAJ | 20 | 20.0 | 20.0 | 80.0 |
| | TVS | 10 | 10.0 | 10.0 | 90.0 |
| | HERO | 10 | 10.0 | 10.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

The survey depicts that 40% of respondents prefer **HONDA**, each 20% of respondents prefer Suzuki and Bajaj. Each 10% of respondents prepare TVS and HERO.



Inference

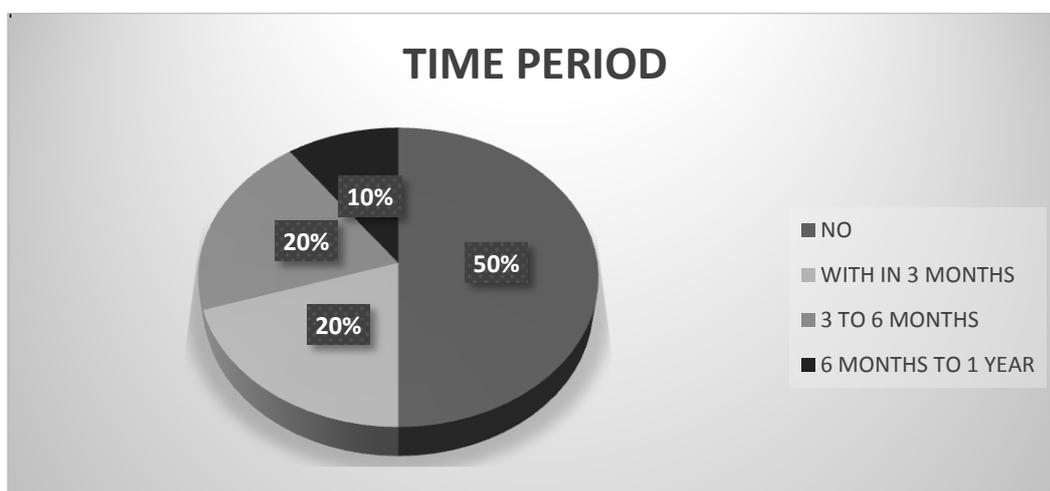
Hence it can be inferred that majority respondents prefer **HONDA**.

TABLE -6 SHOWING TIME PERIOD FOR PURCHASE

| TIME PERIOD | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------|--------------------|-----------|---------|---------------|--------------------|
| Valid | NO | 50 | 50.0 | 50.0 | 50.0 |
| | WITH IN 3 MONTHS | 20 | 20.0 | 20.0 | 70.0 |
| | 3 TO 6 MONTHS | 20 | 20.0 | 20.0 | 90.0 |
| | 6 MONTHS TO 1 YEAR | 10 | 10.0 | 10.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

Among the respondents who wished to buy a vehicle, 20% of the respondents wanted to buy within a period of 3 months, 20% between 3 to 6 months, and 10% within 6 months to 1 year.





Inference

Hence it can be inferred that majority respondents need 6 months for purchasing the two wheelers.

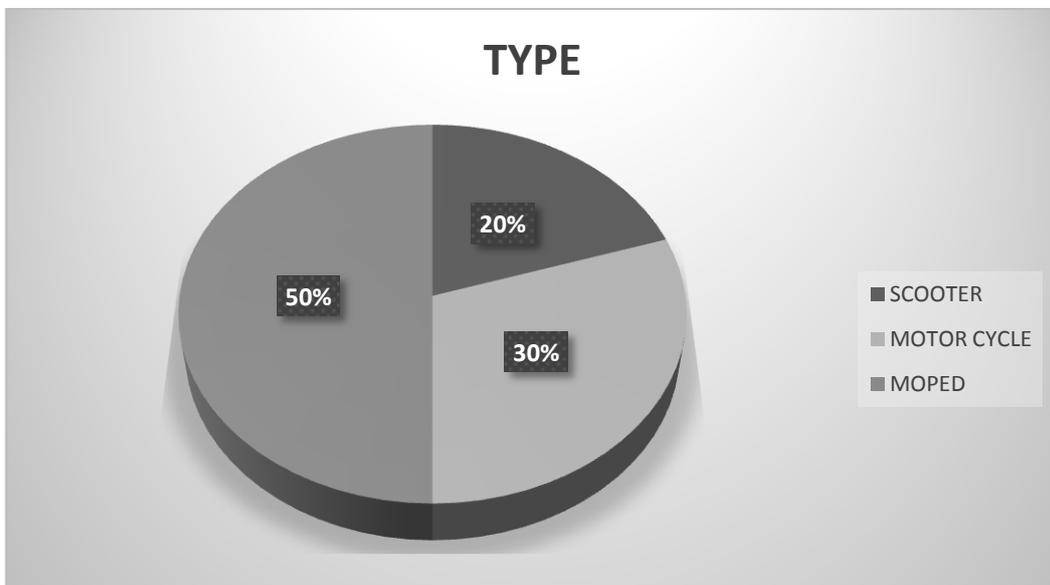
TABLE -7 THE RESPONDENTS PREFERENCE FOR TWO WHEELER

Thus **MOPED** is the most popular between all the two wheelers available in Mysore.

| TYPE OF TWO WHEELERS | | | | | |
|----------------------|--------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | SCOOTER | 20 | 20.0 | 20.0 | 20.0 |
| | MOTOR CYCLE | 30 | 30.0 | 30.0 | 50.0 |
| | MOPED | 50 | 50.0 | 50.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

Among the 100 respondents who wished to buy a two-wheeler, 50% preferred a **MOPED**; just 20% wished to purchase a scooter and 30% opted for motorbike cycle.



Inference

Hence it can be inferred that majority respondents prefer **MOPED** (ungeared)

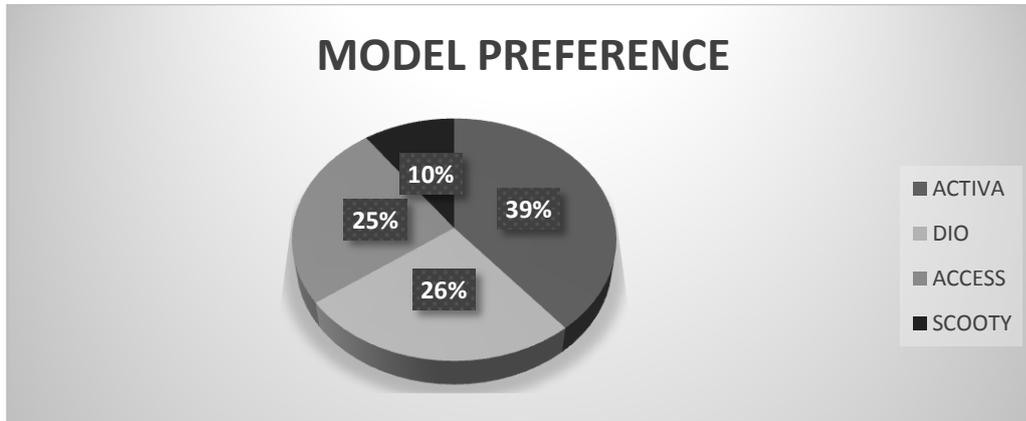
TABLE -8 SHOWING PREFERENCES IN CHOICE OF BRAND OF MOPED

| MODEL PREFERENCE | | | | | |
|------------------|--------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | ACTIVA | 39 | 39.0 | 39.0 | 39.0 |
| | DIO | 26 | 26.0 | 26.0 | 65.0 |
| | ACCESS | 25 | 25.0 | 25.0 | 90.0 |
| | SCOOTY | 10 | 10.0 | 10.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |



Analysis

A maximum of 39% of the respondents wanted to buy **ACTIVA**. The other brand preferred is DIO by 26%, Access by 25% and Scooty by 10% of the respondents.



Inference

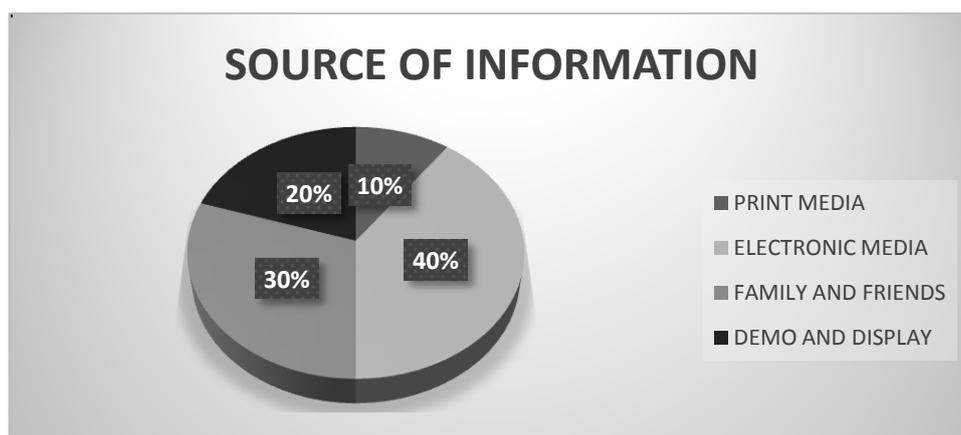
Hence it can be inferred that majority respondents prefer **Honda** brand and in that brand Active leads the chart.

TABLE-9 SHOWING SOURCES OF INFORMATION ABOUT HONDA ACTIVA

| SOURCE OF INFORMATION | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------|--------------------|-----------|---------|---------------|--------------------|
| Valid | PRINT MEDIA | 10 | 10.0 | 10.0 | 10.0 |
| | ELECTRONIC MEDIA | 40 | 40.0 | 40.0 | 50.0 |
| | FAMILY AND FRIENDS | 30 | 30.0 | 30.0 | 80.0 |
| | DEMO AND DISPLAY | 20 | 20.0 | 20.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Analysis

The major source of information through which people got to know more about HONDA ACTIVA are electronic media 40%, family and friends 30%, demo and display give 20% of information to respondents and 10% by print media





Inference

Hence it can be inferred that majority respondents received the information by electronic media.

FINDINGS

Based on the statement of the problem and objectives of the study, observation made was as follows.

- 1) The survey reveals that all the consumers are aware of all mentioned brands of two wheelers in the market.
- 2) It is found that low cost of maintenance and pickup is the most important attributes consumer looks for before deciding to purchase a two wheeler. Technology and engineering, riding comfort; road grip and availability of spares are also given due importance.
- 3) The respondents find the mileage, technology and engineering to be the most satisfying attributes in HONDA ACTIVA. These two are the main reasons for the consumers to opt for HONDA ACTIVA. The survey also reveals that HONDA ACTIVA is one of the most preferred TWO WHEELERS among the various brands mentioned in the questionnaire.
- 4) The main reasons for purchasing HONDA ACTIVA is its better mileage, good aesthetics, technology and engineering.

General findings

- 1) It was found that majority, 60% of the respondents belong to the age group between 21 and 30. This reveals that the scooter is mainly popular among youths than aged people.
- 2) The study reveals that majority of the respondents are male.
- 3) Majority of the respondents are students and business i.e. 30% each.
- 4) Majority of the respondent's fall in the income group of above Rs 1, 50,000. This reveals that the scooter is popular among all classes of the society.
- 5) According to survey all the respondents HONDA brands of two wheelers available in the market.



- 6) Regarding plans of purchasing two-wheeler in future 50% of the 100 respondents had intentions of buying a two-wheeler and 50% of respondents had no plans of buying a two-wheeler.
- 7) Among the respondents who wished to buy a vehicle, 20% of the respondents wanted to buy within a period of 3 months, 20% between 3 to 6 months, and 10% within 6 months to 1 year.
- 8) Among the 100 respondents who wished to buy a two-wheeler, 50% preferred a **MOPED**; just 20% wished to purchase a scooter and 30% opted for motorbike. Thus **MOPED** is the most popular between all the two wheelers available in Mysore
- 9) A maximum of 39% of the respondents wanted to buy **ACTIVA**. The other brand preferred is DIO by 26%, Access by 25% and Scooty by 10% of the respondents.
- 10) Among 50% of the respondents preferred MILEAGE, 20% brand loyalty, 10% for power, 10% Aesthetics and 10% preferred technology.
- 11) Among the 100 samples considered for survey 60% of them are users were users of two wheelers before HONDA ACTIVA and the remaining 40% were non-users of two wheelers.
- 12) The major source of information through which people got to know more about HONDA ACTIVA are electronic media 40%, family and friends 30%, demo and display give 20% of information to respondents and 10% by print media.
- 13) The major number of respondents purchased between 2010-2014 is 50%, 40% of respondents purchased between 2005-2009 and in 2001-2004 only 10% of respondents purchased HONDA ACTIVA.
- 14) The major number of respondents purchased HONDA ACTIVA on cash 60%, 20% of respondents purchased on installment and 20% of respondents purchased on credit.
- 15) The 70% of respondents stated that there is NO problem in HONDA ACTIVA and 30% there is a problem in HONDA ACTIVA.

SUGGESTIONS

Technical suggestions

1. The scooter has a four-stroke engine; it is expected to give good mileage. The scooter should give at least 55 – 60 kilometers per liter under city riding conditions as against 45 kms declared by the company.



2. Brakes and road grip of the scooter need to be improved.
3. The vehicles are expected to have lower maintenance cost in order to make the customers happy.
4. Seating arrangement of the vehicle should be changed.
5. Honda Active should be released with new attractive shades.

Commercial suggestions:

- 1) The high price is one of the major barriers. The moped should be priced below Rs 40,000, (including accessories) which will increase the sales.
- 2) HONDA should advertise their new models in T.V, media to create awareness and attract some more consumers and also company should give more and more advertisements about the product in different media's like print media, electronic media so that it will reach and every one.
- 3) Youngsters prefer two wheelers to four-wheelers. So the advertisement and sales promotion should be aimed towards them.
- 4) The waiting period for the delivery of the vehicle should be reduced.
- 5) More authorized service station should be opened in city limits.

CONCLUSION

Active Honda has emerged with its mopeds as per the needs & desires of the customer. It satisfied the need of gearless mopeds with ease handling which was looked forward to, by all class of customer in economic ranges.

With the introduction of this, ladies too turned to the mopeds due to the ease handling, style & physical appearances of the vehicle which is comfortable.

Finally to conclude, Active Honda is the first company to have introduced the gearless scooter on the Indian roads primarily targeted to urban customers. The company is performing successfully mainly due to following strengths of the company;

- Vehicles are user friendly.
- Excellent seat, road holding etc.
- Ease of use by female riders.

But the moped market is poised for some exciting developments with several international players keenly waiting to operate in Indian market. If the company caters to the raising



desires of customers, customer's satisfaction & its quality, it can survive in the market for long period.

Though there are good many numbers of competitors for the Honda, the mopeds are moving fairly in the market and earning good returns to the company. The customers have good regards towards HONDA. They are well aware of the presence of the vehicle and about the features of the vehicles also.

The company is providing good many services which enhance the brand image indicating the company's efficiency.

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