

# **AMITY INSTITUTE OF INFORMATION TECHNOLOGY**

**AMITY UNIVERSITY**

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**Entrepreneurship Development Programme**

**Business Project Proposal**



**Submitted by:**

**Team Members:**

**Rajnish Raj (A45349523005)**

**Abhijeet Kumar (A45349523006)**

**Ankit Raj (A45304823169)**

**Submitted to:**

**Prof Avishek Choudhuri**

**Professor**

**Amity Institute of Information Technology**

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# *Rev X Customs: Bike Modification Company*

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## **1. Executive Summary**

**Business Concept:** Rev X Customs aims to become a premier destination for bike enthusiasts across Bihar, specializing in both aesthetic and performance modifications, customization, and premium maintenance services. Our business seeks to blend technical expertise with creativity, allowing customers to transform their bikes into unique expressions of personal style and performance.

**Mission Statement:** "To be the benchmark of quality, creativity, and reliability in bike customization by merging innovative designs with top-tier performance enhancements, catering to every bike owner's individuality."

**Vision Statement:** "To foster a strong community of bike enthusiasts across Bihar and beyond, known for our craftsmanship, trustworthiness, and the thrill we bring to biking."

### **Core Objectives:**

- Customer Reach: Build a base of 500 loyal customers in the first 12 months.

- Market Penetration: Capture 20% of the potential market for bike modification in Bihar within three years.

- Revenue Goal: Achieve monthly revenues of ₹8 lakhs by the end of the first year and expand to 150% growth in year two.

- Expansion Plan: Set up two additional outlets in the eastern region of Bihar by year three.

## **2. Market Analysis**

### **Industry Landscape and Market Opportunity**

The motorcycle industry in India is experiencing significant growth, with more than 21 million motorcycles sold annually. Motorcycles have become a primary mode of transportation, especially in urban, semi-urban, and rural areas. This rising demand for motorcycles has spurred a growing interest in motorcycle customization, making it a prominent market trend. Customization offers customers the opportunity to enhance the aesthetics, performance, and functionality of their motorcycles, which has become particularly appealing to younger and more tech-savvy riders.

The market for motorcycle customization in India has become a key business segment, particularly in smaller cities and rural areas where personalization services are still underdeveloped. The growing demand for bike customization and performance upgrades represents a massive opportunity for businesses that can provide high-quality services in these areas.

### **Market Size and Potential in Bihar**

In Bihar, a state with over 7 million registered two-wheelers, there exists a substantial opportunity for motorcycle customization services. Among these bike owners, 60% have expressed an interest in personalization or performance modification services, which translates to approximately 4.2 million potential customers. This presents a strong customer base for motorcycle customization businesses, especially in tier-2 and tier-3 cities where the demand for such services is high but supply is low.

The rising interest in motorcycle customization in Bihar reflects the broader trend of increasing demand for personalization across India. Given that there are few established players offering high-end customization services, this gap in the market presents a unique opportunity for businesses like RevX Customs to position themselves as leaders in the region.

### **Projected Growth in the Customization Market**

The customization market for motorcycles is projected to grow at a CAGR (Compound Annual Growth Rate) of 12-15% over the next few years. As the motorcycle market continues to expand, more customers are expected to seek out options for aesthetic and performance upgrades. With the rise in disposable incomes, especially among younger demographics in tier-2 and tier-3 cities, the market for customization services is poised for substantial growth.

Bihar's tier-2 and tier-3 cities are expected to be key growth areas. As more motorcycle owners seek high-quality modification options, RevX Customs is positioned to capture this growing market by offering superior customization services not yet widely available in these cities.

### **Customer Demographics**

#### **- Primary Audience:**

- Men aged 18-40, comprising college students, young professionals, and bike enthusiasts.

- These customers are increasingly seeking both aesthetic and performance enhancements to personalize their bikes, making this group a significant target for motorcycle customization services.

- The primary audience accounts for a substantial portion of the total bike ownership in Bihar, particularly among individuals who are willing to invest in their bikes.

- Secondary Audience:

- Local business owners and small fleet operators looking for customized branding opportunities for their bikes or fleet vehicles.

- This group represents an additional revenue stream as businesses in Bihar seek to establish a unique brand identity through customized vehicle designs.

## **Competitive Analysis**

- Direct Competition:

The market for high-quality motorcycle customization in Bihar is relatively underdeveloped, with limited competition. The few existing workshops typically lack the technical expertise, aesthetic range, and variety of services that RevX Customs can offer. RevX Customs has the potential to dominate the market by providing high-quality, diversified customization options.

- Indirect Competition:

Local mechanics and smaller workshops offer minimal customization but at lower prices, focusing mainly on mechanical repairs and basic modifications. However, their offerings lack the technical expertise, premium quality, and aesthetic appeal that customers in Bihar are increasingly demanding. This provides a competitive advantage for RevX Customs, which can deliver high-end, customized solutions.

## Customer Survey Insights

A survey conducted among local motorcycle owners revealed the following insights:

1. 65% of bike owners expressed interest in affordable, high-quality aesthetic upgrades, including custom paintwork, wraps, and body modifications.
2. 30% of customers are particularly interested in performance enhancements, such as:
  - Improved horsepower and engine performance
  - Better fuel efficiency
  - Engine tuning and suspension upgrades
3. 45% of surveyed owners prefer custom lighting, specialized exhaust systems, and paintwork to give their bikes a distinctive and personalized look.

These survey results suggest a clear demand for both aesthetic modifications (e.g., paint, body kits) and performance enhancements (e.g., engine tuning, exhaust systems). The preference for affordable, high-quality modifications presents an opportunity for RevX Customs to offer both affordable options for basic modifications as well as premium services for high-end upgrades.

## **Projected Business Opportunity**

Based on the survey data and market trends:

- With 60% of 7 million bike owners in Bihar interested in customization, this translates to 4.2 million potential customers.
- A 12-15% CAGR in the customization market suggests significant business growth over the next few years.
- Assuming RevX Customs captures even a small share (e.g., 1% market penetration), this could represent 42,000 customers in Bihar alone. Depending on the average revenue per customer, this could lead to substantial revenue generation.

### 3. Product and Service Description

RevX Customs will provide a range of services designed to meet the varied demands of bike enthusiasts. Our offerings will include customization packages, performance upgrades, and additional premium services that set us apart.

**Service Category Package/Service Description Price Range (₹)**

<b>Aesthetic Customization Packages</b>	Basic Package	Paint touch-ups, decals, and seat modifications.	₹5,000 - ₹10,000
Advanced Package	Custom paint jobs, lighting upgrades, and exhaust changes.		₹15,000 - ₹25,000
Premium Package	Complete bike overhaul with bodywork, premium paint, engine casing modifications, and custom wheels.		₹30,000 - ₹50,000
<b>Performance Upgrades</b>	Engine Tuning and Optimization	Increases horsepower by up to 20% and improves fuel efficiency.	₹7,000 - ₹10,000
High-Performance Suspension	Customized suspension suitable for different terrains.		₹5,000 - ₹15,000
Premium Exhaust Systems	High-grade exhaust installations to enhance performance and sound.		₹10,000 - ₹20,000
<b>Accessory Customizations</b>	LED Lights and Electronics	Unique LED lighting setups for improved aesthetics and safety.	Average ₹5,000



Handlebars, Seats, and Mirrors	Customization for comfort and style.		₹2,000 - ₹7,000
<b>Additional Services</b>	Membership Program	Provides discounts, exclusive events, and priority services.	Subscription- based pricing
Maintenance and Servicing	Routine maintenance and premium servicing packages.		Starting at ₹2,000 per session

Reference:

1. Royal Enfield, "Custom World," [Online]. Available: [Customization](#). [Accessed: Nov. 13, 2024].
2. T. K. Motorcycle Diaries, "ZG1K: Customized Kawasaki Concours," *TK Motorcycle Diaries*, Oct. 10, 2016. [Online]. Available: [Kawasaki Custom Mod Techniques](#). [Accessed: Nov. 13, 2024].
3. TVS Motor Company, "Things to know before you plan for any bike modifications," *TVS Motor Company Blog*, [Online]. Available: [Bike Modifications TVS Motors](#). [Accessed: Nov. 13, 2024].

## **4. Marketing and Sales Strategy**

### **1. Digital Marketing Goals:**

- Instagram and YouTube Followers: Target of 50,000 followers across platforms by the end of Year 1.
- Website Traffic: Expected monthly website visitors of 10,000 by end of Year 1, aiming for a 3% conversion rate for booking consultations or services.

### **2. Brand Awareness and Customer Acquisition:**

- Local Events: Organize quarterly bike shows and workshops with an expected attendance of 200-300 potential customers per event.
- Promotional Discounts: Offer a 15% discount on the first customization for new customers, projected to attract 150 new customers in the first quarter.

### **3. Sales Funnel Conversion Metrics:**

- Inquiry to Booking Conversion Rate: Expected to convert 25% of initial inquiries into confirmed bookings.
- Repeat Customer Rate: Target 40% of initial customers to return for additional services within 12 months.

### **4. Revenue from Customer Loyalty Programs:**

- Membership Program Sign-Up Rate: Projected 10% of customers to subscribe to the membership program in Year 1.
- Average Annual Revenue per Member: Estimated at ₹15,000, including discounts and upsells.

## 5. Monthly Sales Targets:

- Monthly Customer Target: 90 customers.
- Monthly Revenue Goal: ₹6.75 lakhs by the end of Year 1, based on an average spend of ₹7,500 per customer.

## **5. Financial Projections**

### Startup and Operational Costs

- Startup Costs:
  - Equipment: ₹4 lakhs
  - Facility Renovation and Setup: ₹3 lakhs
  - Initial Inventory (Parts, Accessories): ₹3 lakhs
  - Marketing and Branding: ₹1 lakh
- Total Startup Cost: ₹11 lakhs
- Monthly Operating Costs:
  - Rent: ₹30,000
  - Salaries (3 staff): ₹60,000
  - Utilities and Miscellaneous: ₹20,000
- Total Monthly Operating Cost: ₹1.1 lakhs

## 1. ROI (Return on Investment):

The formula to calculate ROI is:

$$\text{ROI} = \left( \frac{\text{Net Profit}}{\text{Total Investment}} \right) \times 100$$

Where:

- **Net Profit** is the monthly profit (₹5.65 lakhs).
- **Total Investment** is the startup cost (₹11 lakhs).

So, the ROI is:

$$\text{ROI} = \left( \frac{5.65 \text{ lakhs}}{11 \text{ lakhs}} \right) \times 100 = 51.36\%$$

## 2. Payback Period:

The payback period is the time it takes to recover the initial investment (startup cost) from the net profit.

$$\text{Payback Period} = \frac{\text{Total Investment}}{\text{Net Monthly Profit}}$$

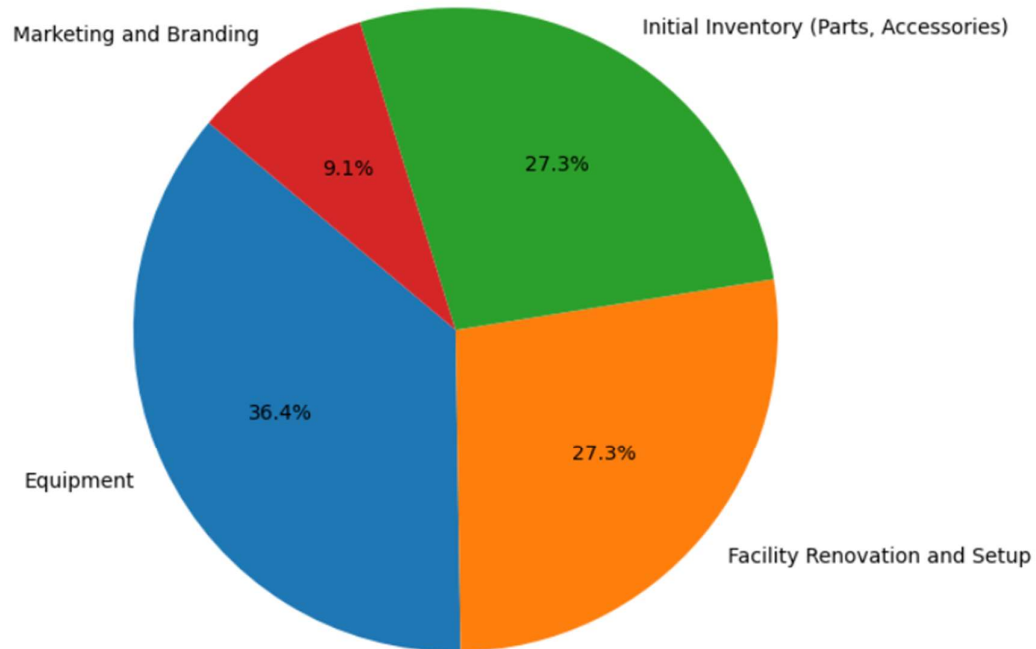
Where:

- **Total Investment** is ₹11 lakhs.
- **Net Monthly Profit** is ₹5.65 lakhs.

So, the Payback Period is:

$$\text{Payback Period} = \frac{11 \text{ lakhs}}{5.65 \text{ lakhs/month}} \approx 1.95 \text{ months}$$

### Startup Costs (Total: ₹11 lakhs)



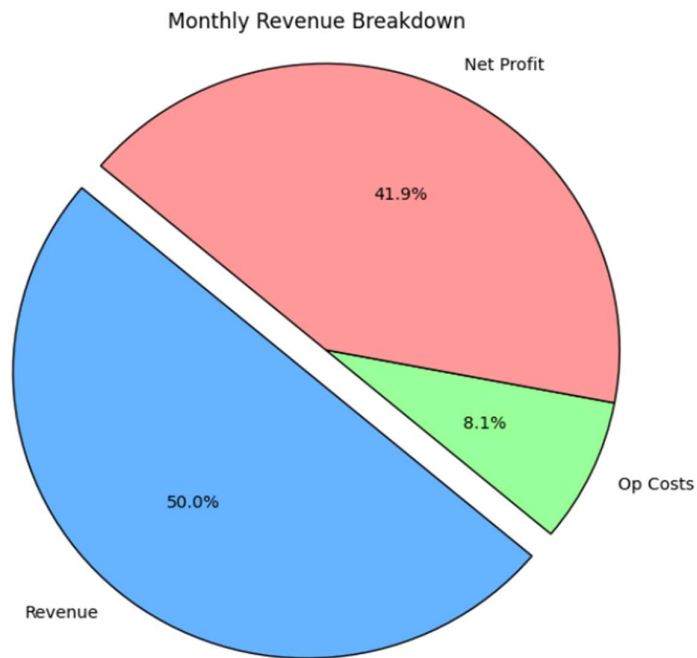
### Revenue Projections

- Average Revenue per Customer: ₹7,500
- Monthly Customer Estimates: 90 customers.
- Monthly Revenue: ₹6.75 lakhs.
- Net Monthly Profit: ₹5.65 lakhs after operating costs.

Reference:

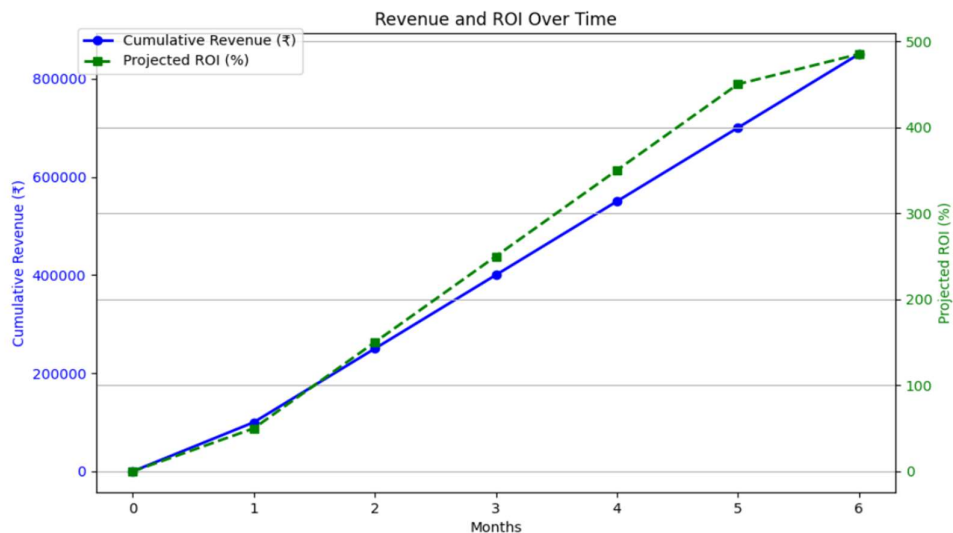
[Indian Bikes Market](#)

[Yamaha Modification](#)



## Break-Even Analysis

- Break-even will be achieved within 3 months due to high initial demand and profitability.
- Payback Period: Approximately 2.5 months, with a projected ROI of 485% in the first year.



## **6. Operational Plan**

### **Location and Facilities:**

- Workshop space will cover 2,500 sq. ft., with designated zones for customization, storage, and client interaction.

### **Staffing Requirements:**

- Mechanics specialized in performance upgrades, body customization, and electronic installations.
- Design expert for consulting clients on unique modifications.
- Admin and customer support staff for efficient daily operations.

### **Supplier Partnerships:**

- Agreements with aftermarket parts manufacturers and custom accessory vendors.

### **Customer Relationship Management:**

- Automated booking and customer management system for tracking customer preferences and service history.
- Feedback loop with customers to refine and expand service offerings.

## Future Growth and Expansion Plans

- Year 1: Establish the brand locally and gain a strong customer base in the city. Target revenue: ₹80 lakhs.
- Year 2: Open a second workshop in a nearby city, adding more high-end service options. Target revenue: ₹1.2 crore.
- Year 3 and Beyond: Expansion into major cities in Bihar, with additional service centers and a larger product range. Explore offering franchise opportunities.

