**Marketing Strategies and Analysis of Automobile Companies in Nepal**

**(Case Study of Marketing of TVS Motor, Nepal)**

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# Introduction

TVS Nepal is one of the leading automobile companies in Nepal offering the wide range of products on the two-wheeler market. Currently TVS stands second after Honda in terms of sales. With being listed in below fifth rank before COVID-19, TVS has undergone through various strategies from manufacturing, design to marketing for its product. TVS provides the diverse range of two-wheelers in Nepal. Bikes and scooters are its prime two-wheelers products in the Nepalese market. The company has become more well-known for producing powerful, stylish motorcycles that appeal to both middle-aged and younger riders. In Nepal, the corporation holds the second-largest market share. With four unique showrooms located in Kathmandu and 115 dealers throughout Nepal, TVS Motors Pvt. Ltd. has a broad dealer network employing more than 200 individuals in management, more than 150 in mechanics and junior staff, and 35 service locations throughout Nepal.

TVS motor is a flagship company of TVS Group India, founded in 1979 and is currently the third largest two-wheeler manufacturer in India. TVS has got its name from the initial of its owner Thirukkurungudi Vengaram Sundram Iyengar, with headquarter on Chennai. With the strategic partnerships, innovative offerings and customer centric approach, TVS has been establishing itself as the trusted and preferred brand in the two-wheeler market. With the experienced former racers in the core team, TVS has been committed to the production of the racing bikes and scooters (CMO, TVS Nepal). With the dedication and commitment for the racing bikes, comfortability and durability, TVS has always been on the brand mantra of racing two-wheeler products. TVS has always been concerned with the looks, mileage, power and features of product so that customer would feel worth it for purchasing and using the products.

For any product to have high attention and customer-centric; needs marketing and advertising of the product. No companies can set marketing aside in the business field in the competitive world. Marketing plays the vital role in the performance of the company. Marketing not just only relates to selling of the product as selling is only the tip of the marketing iceberg. With the marketing strategies adopted by the TVS company, we could clearly see that marketing its products as well as services for the customers are providing the value to the product with the experience of the former bike racers. Technology and globalization have changed the way of product innovation and the marketing of the product. With the huge competitive environment, the company has been going on through the market with its unique and innovation marketing strategies which has been able to provide the competency above the competitive products in the market.

# Market Overview

For last few decades, it can be seen that Nepal has been arising as one of the big markets on the two-wheeler industry. From 2015 to 2019, there can be seen the growth of 48% on the purchasing of the two-wheelers in Nepal, which then reduced because of the covid impact. With the covid, there has been declining in the sales on the two-wheelers which was then in degrowth state. According to CMO of TVS Nepal with its head office in Laxman Babu Bhawan, Naxal, there was average sales of 3,50,000 units of two-wheelers sold from all the two-wheelers company in Nepal in 2018, which now reduced to 1,40,000 in 2023. The prime reason for the decline in the sales remains to be the brain drain as there has been huge number of people going abroad.

After covid, many company have shifted to the digital marketing campaign. Before covid, newspaper and televisions were the prime form for the marketing; which they had gone to digital as it was difficult to track the return of investment as there was no method to understand whether the advertisement campaign has been effective or not. Comparatively where there is lack of the TRP calculation on newspaper and televisions advertisement, digital advertising can provide the immediate tools and insights to track the TRP. With the total of 40% of the market only in Bagmati zone and rest of the 60% on other thirteen zones, digital advertisement campaign would help the companies to reach out to the people across the country faster with the relatively small investment.

# Problem Statement

The fundamental goal of most motorbike companies' marketing strategies is to increase the number of existing customers while simultaneously attracting new ones. It is a method of marketing items to target markets using the appropriate strategies. The purpose of motorbike companies' business strategy in Nepal is to gain a competitive advantage over their rivals. Selling, distribution, customer benefit packages, customer service, purchasing, supply chain, segmentation, positioning, and target market strategies are all addressed. This report is mostly focused on the TVS motorcycle.

# Objectives of Study

* Study the marketing strategy of the automobile company
* Product and market segmentation by the companies
* Product innovation and tackling the challenges

# Research Methodology

## 5.1 Research Design

The interview is conducted for the exploration of the qualitative research approach and for understanding the strategies and insights of the marketing officer regarding the importance of the marketing. The process of decision making through the thoughts, experiences will be understood.

## 5.2 Semi-Structured Interview

Semi-structured interviews conducted with the chief marketing manager will be providing us with the balance between the traditional and digital marketing trend as well as for the depth exploration of the further upcoming products and their preparation and strategy for making the new product successful.

# Findings

## Company Profile

Renowned for the leading racing two-wheeler brand globally, TVS has built up strong customer base in Nepal also. Being known as Jagadamba motors, TVS has been building high reputation of its brand all over the country and is successful in capturing the big market share. Jupiter, Wego and NTorq are some of the best-selling scooters of TVS where RTR, Apache and Raider are the best-selling bikes of the company. Recently, TVS celebrated the total of 1,00,000 units of NTorq on road all over the country.

## Marketing Strategy

TVS Nepal has been actively involved in marketing and advertising of its product. There has been extreme marketing campaign as they are segmenting the product as economy (up to 110 cc), deluxe (up to 12 cc), premium (up to 200cc) and premium plus (200 and + cc). They have been having the separate marketing strategy for the different product as the product varies from one another in terms of power, features, mileage and looks. The prime concern for company remains customer’s choice and preference for the product which will then be helping for deriving the marketing strategy and design for the companies. Product differentiation and product segmentation has been helping the company for having a successful marketing campaign. Along with different marketing design, the company has been strongly conducting the rides many times in a month in different part of the country, which helps them for having their product advertised and also perform their fundamental duty of corporate social responsibility.

The company has been actively monitoring the competitors in terms of market capitalization, activities and the user generated content (UGC) which helps to understand how they are being treated by customer and what the choice of the customer remains on the market. Having 40% of the total market only in Bagmati zone, the company has been conducting various rides in the capital city as well as outside of the capital so that they could have continuous interaction with their customer and may have feedback changed to feed forward. Social media marketing, sponsor marketing service marketing, etc. are the preferred marketing campaign of the company.

## Positioning

The two-wheeler market has been seeing combined 3,50,000 units’ sales by different companies over a fiscal year. Before the covid, the company had been placed below 5th rank where after covid, the company has been on 2nd rank with its new and attractive product. As having the experienced racers as their designer for the system, the company has been giving the extraordinary racing bike experience for the customer with its product.

## Challenges

The challenges for the company have always remained to be the time limitation for the proper planning and execution of their strategy. With the diverse language, culture perceptions and sensitiveness, the company has to think for all the sector so that none would be harmed or disappointed by the campaign.

The extreme brain drain has been one of the biggest challenges for these company for the sales. The majority of the customer of the two wheelers are from the age group of 20-40 and the major population of this age gap has been leaving country for the employment in abroad. With the declining number of populations, there has been decreasing in the sales resulting in the decrease in the marketing budget of the company.

## Customer Perception and Market Response

Customer’s using the TVS product are happier and more satisfactory in the recent years than those of the before covid time. Majority of the indicators show the strong positioning of the company in Nepal as well as India on the post covid. NTorq has been one of the successful products of the company which has been loved by the customer so much that the company has reached the milestone of 1,00,000 unit sales by January, 2024.

Along with the success of the products, there can be seen the happy customer with their support to the company. TVS company has been making an approach for keeping their customers up-to-date and on communication which they carry on with the social media sites, messaging applications and many other ways. The regular conduction on the rides across the different parts of the country help the company to keep on touch with them and understand about the shortcomings if any.

## Future Plans and Recommendation

TVS products really seem to be very worthy products for the customer and the company has been able to make their customer happy and be in touch with them. The market dominance strategy and the innovation strategy has been the prime factor of the company for its aggressive performance in the global market. Along with digital marketing and different marketing channels, the overall performance of the company has been well tracked and all the insights are studied properly which helps the company to understand how their investment has performed in the market

The discussion with CMO of the company let us know that the marketing budget of the company was around Rs. 60 million to Rs. 80 million in 2023. As he mentioned, with the people leaving the country, the sales revenue has been going down and with the decreasing revenue it is obvious for the companies to reduce their marketing budget. Along with the that, the company as is very active with its corporate social responsibility, and with the sound information of the sustainability, the company mustn’t be forgetting about these and must maintain in the future too.

Monitoring of the competition, close look to the challenger and follower, feature, product, pricing, market segmentation, product differentiation, product alignment, and user generated contents must be actively monitored and tracked by the company as this provide the must and important feedbacks by the customer.

# Conclusion

With the launch of the NTorq with its powerful engine, features and looks, the sales of the TVS have been high and the products of the TVS started to be boom in the Nepal. Before NTorq, Apache had created the image of the TVS. TVS has been actively focusing on quality innovation so as to have the high market share and good brand image. The upcoming product of TVS us RTR-310 which has already been launched in India and is expected to be launched in Nepal by 2025. As TVS had gone through the rigorous process for creating brand image, the company has got the good brand image in Nepal and has been maintaining consistently after the covid. Although the company has been looking good on the customer service, yet, there should be more focus on the careful design of the after sales service as the competition for TVS has been increasing day by day.

Along with the product, features and services, TVS must be careful for the after sales services, and must make the online campaigns, road shows, canopy, more sponsorships, so as to make its new offering of product more popular and customer centric. Although having attractive marketing advertisement, it should be focusing on more and more regular advertisement on many possible medias like newspaper and TV commercials also. However, the behavior of the customer be change, but the target marketing, loyalty programs etc. must be initiated so as to keep the customer engaged and maintain the relationship with the customer.

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