

PERFORMANCE.  
THERE ARE NO SHORTCUTS.



GO THE ————— DISTANCE

# A RESEARCH PROJECT REPORT ON INCREASING MARKET SHARE IN RURAL AND SEMI URBAN MARKETS FOR



SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR  
THE P.G.D.M DEGREE COURSE OF BIMM

BY:-

NAMAN SHARMA

MM1315314

2013-15

# PREREQUISITE KNOWLEDGE

## TYRE BASICS

TYRE  
CONSTRUCTION

BIAS PLY  
(NYLON)

RADIAL  
PLY(STEEL)

# PREREQUISITE KNOWLEDGE

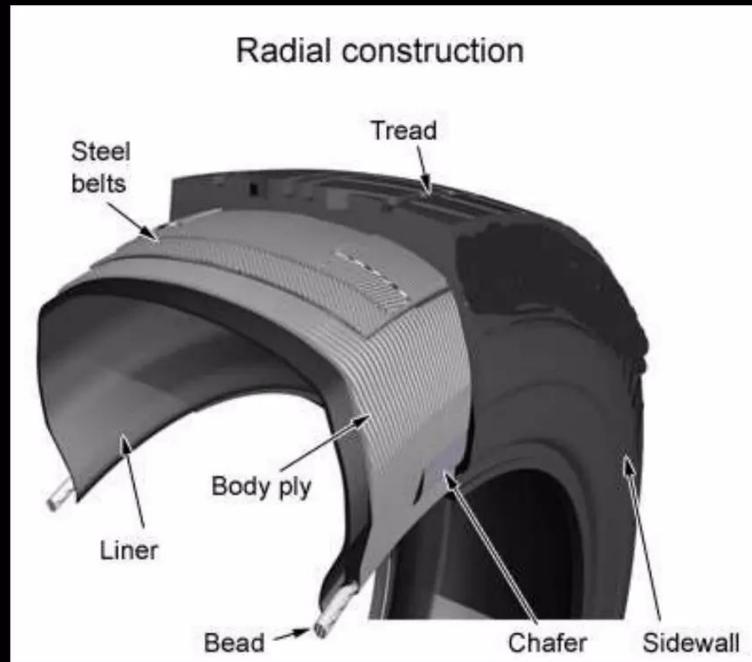
## TYRE BASICS

### BASIC TERMINOLOGY

TREAD

SIDEWALL

BEAD

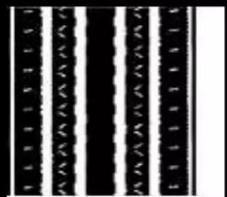


# PREREQUISITE KNOWLEDGE

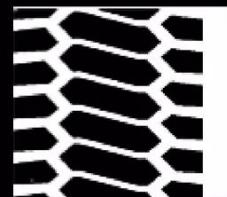
## TYRE BASICS

TYPES OF TREADS

COMMERCIAL VEHICLES



RIB PATTERN



LUG PATTERN



BLOCK PATTERN

# PREREQUISITE KNOWLEDGE

## TYRE BASICS

TYPES OF TREADS

PASSENGER VEHICLES

UNDIRECTIONAL   ASYMMETRICAL   COMBINATION



# PREREQUISITE KNOWLEDGE

## TYRE BASICS

TYPES OF TREADS

OTR VEHICLES

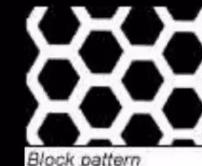
ROCK PATTERN   TRACTION PATTERN   BLOCK PATTERN



*Rock-flush pattern*

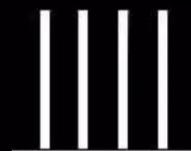


*Traction pattern*



*Block pattern*

RIB PATTERN



*Rib pattern*

SMOOTH PATTERN

*Smooth for tire rollers*

# PREREQUISITE KNOWLEDGE

## TYRE BASICS

### TYRE TERMINOLOGY

#### TRUCK TYRES

10.00 – 20 18PR

“10.00” – Section Width (Inches)

“-“ - Bias construction

“20” - Rim Diameter (Inches)

18PR – Ply rating

#### PASSENGER CAR TYRE

185/65 R 14 86 H

“185” – Section width (mm)

“65” – Aspect ratio(%) = Sidewall Height computed as 65% of 185mm

“R” – Radial construction

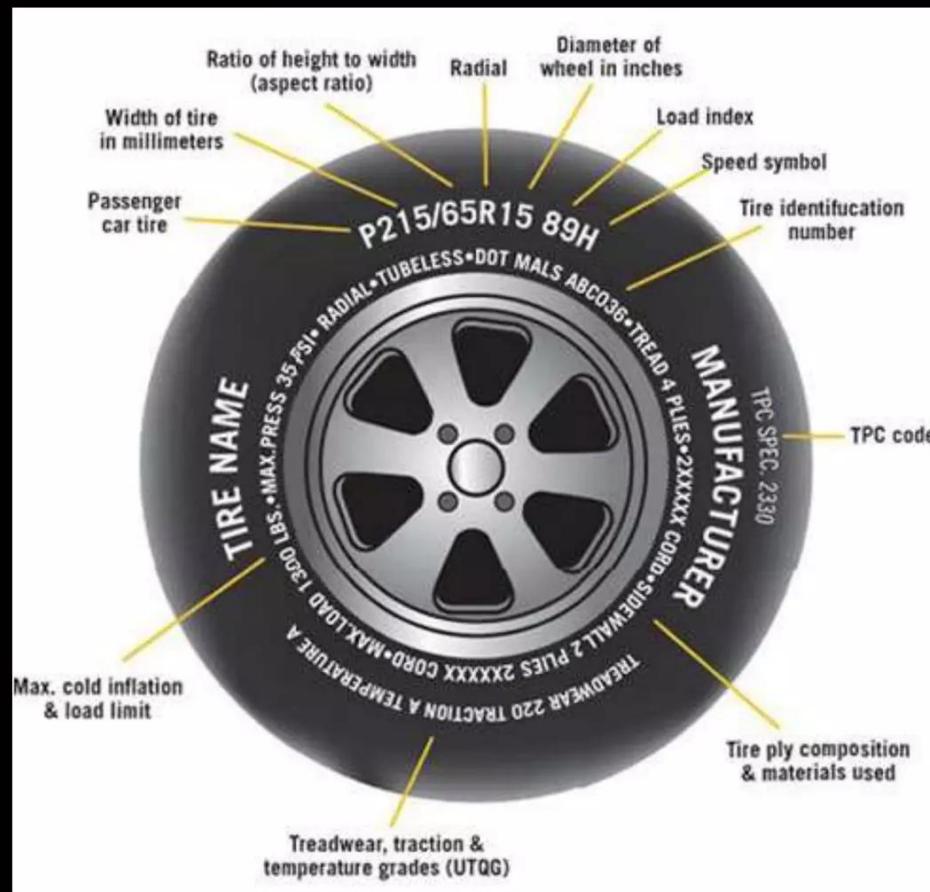
“14” – Rim Diameter (inch)

“86”- Load Index rating

“H” – Speed rating

# PREREQUISITE KNOWLEDGE

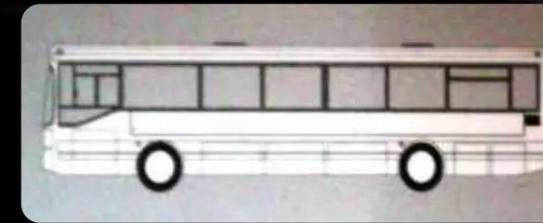
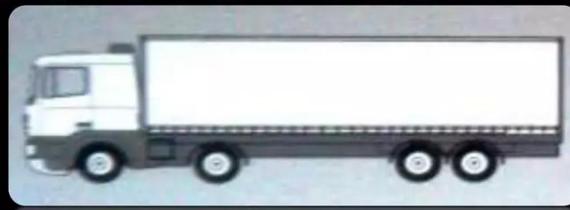
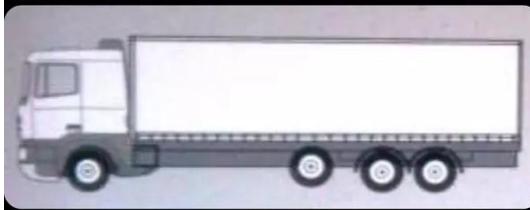
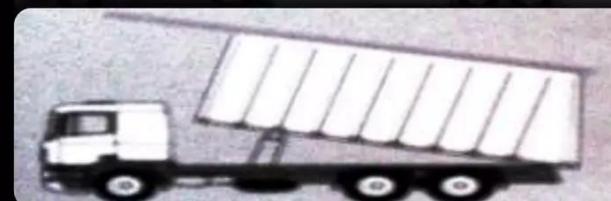
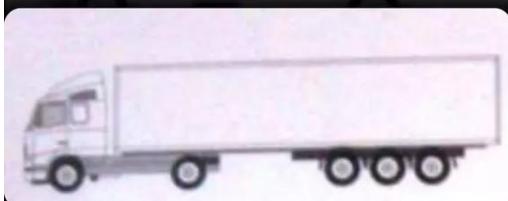
## TYRE BASICS



NAMAN SHARMA - B.I.M.M PUNE

# PREREQUISITE KNOWLEDGE

## VEHICLE BASICS – H.C.V



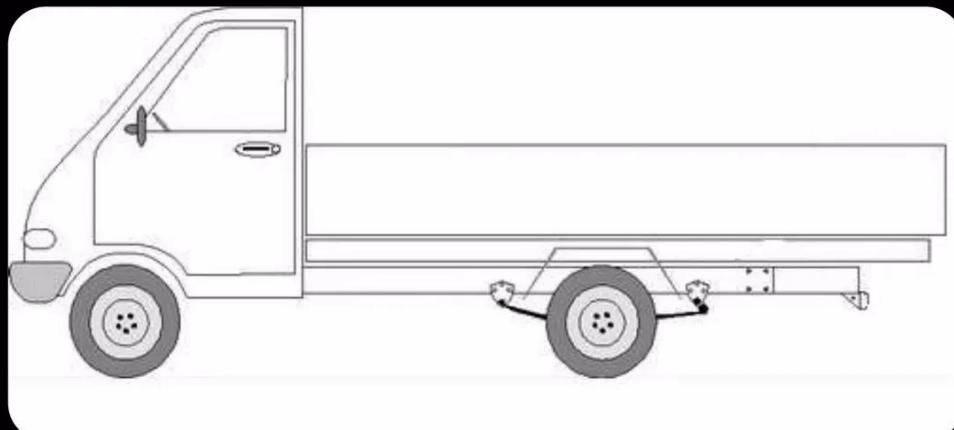
# PREREQUISITE KNOWLEDGE

## VEHICLE BASICS – L.C.V



# PREREQUISITE KNOWLEDGE

## VEHICLE BASICS- S.C.V



NAMAN SHARMA - B.I.M.M PUNE

# PREREQUISITE KNOWLEDGE

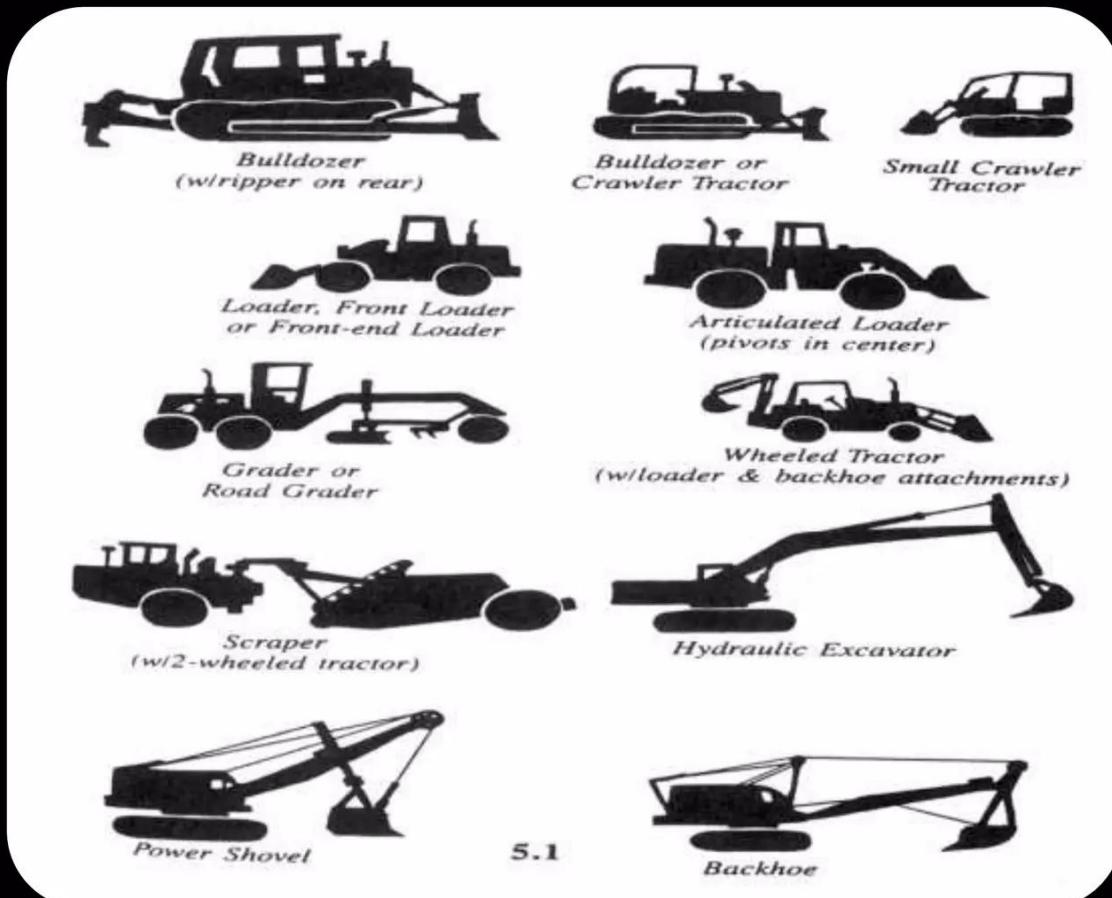
## VEHICLE BASICS- FARM



NAMAN SHARMA - B.I.M.M PUNE

# PREREQUISITE KNOWLEDGE

## VEHICLE BASICS- INDUSTRIAL



# PREREQUISITE KNOWLEDGE

## VEHICLE BASICS-PASSENGER CAR

### Cars and Vans



CAR SEGMENT	LENGTH OF THE MODEL TYPE	CAR MODEL BELONGING TO THAT SEGMENT
A1	Upto 3400 mm	Nano
A2	3401 to 4000 mm	Alto,i10,Zen,Wagon R
A3	4001 to 4500 mm	Manza,Logan,Dzire,City
A4	4501 to 4700 mm	Corolla,Octavia,o ptra
A5	4701 to 5000 mm	Accord,Camry,Sonata
A6	More than 5000 mm	Mercedes S class
B1	Vans/Jeep	Versa,Omni
B2	MUV/MPV	Sumo,Innova
SUV	SUV	Vitara,CRV

# OBJECTIVE OF PROJECT

- To determine strategies to increase market share in rural and semi urban markets by determining and analyzing factors which are affecting growth of company in rural and semi urban market and finding out ways to overcome them.
- Giving possible suggestions to Apollo to gain a competitive edge in its current market.

# RESEARCH METHODOLOGY

- Type of Research – Both Primary and Secondary type of research was used.

For Secondary Research – Data given by company was analyzed

For Primary Research - Causal research was done. First Descriptive Research done through Cross sectional studies then conclusive to find the causes

- Sampling Plan –

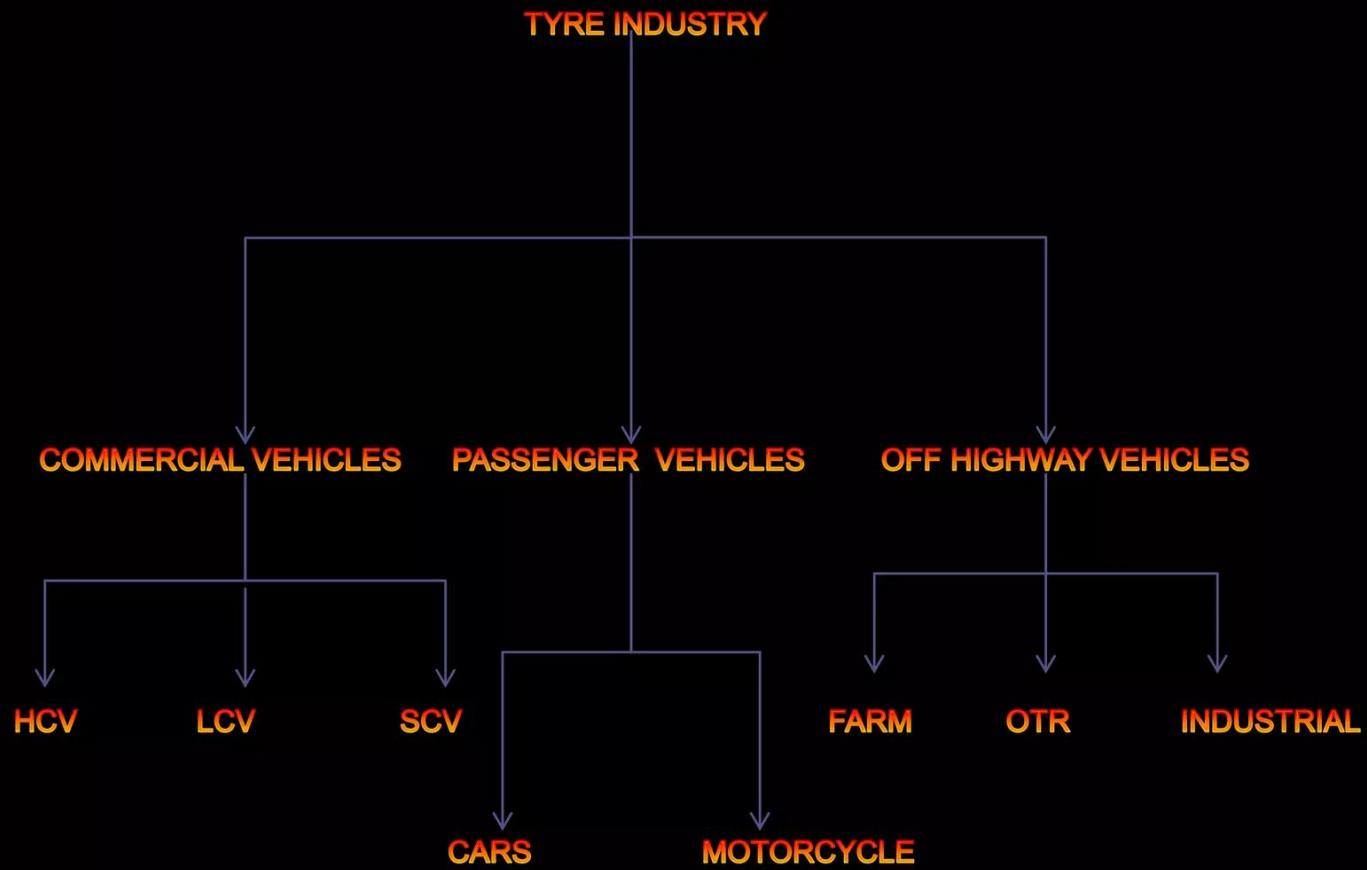
For Dealers – Census survey

For Customers – Random probability sampling providing 10 samples per category i.e total 70 samples

- Instrument used – Questionnaire
- Method to use Instrument - Scheduled Format
- Area Covered – Ajmer Zone and Upcountry
- Time Frame – 50 days
- Limitations – Research is subject to following limitations

All the respondents taken were from Ajmer Zone and Upcountry region so it may not be valid for other geographies.

# Segmentation of Tyre Industry



# COMPANY PROFILE

NAMAN SHARMA - B.I.M.M PUNE

# COMPANY PROFILE

Chairman & Managing Director – Onkar Singh Kanwar

Corporate Headquarters – Gurgaon (India)

- Manufacturing Plants –
- Perambra , Kerala (India)
- Kalamassery, Kerala (India)
- Kanchipuram, Tamil Nadu (India)
- Limbda, Gujarat (India)
- Bulawayo, Zimbabwe (Africa)
- Durban, South Africa (Africa)
- Enschede, Netherlands (Europe)

Regional Hubs –

- Bangkok, Thailand
- Dubai, UAE

# COMPANY PROFILE

Brands -

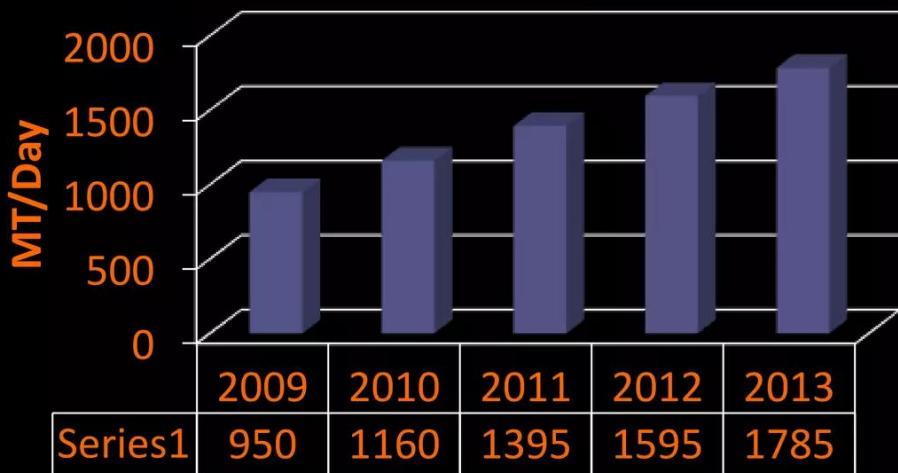
- Apollo
- Vredestein
- Regal
- Myola
- Kaizen



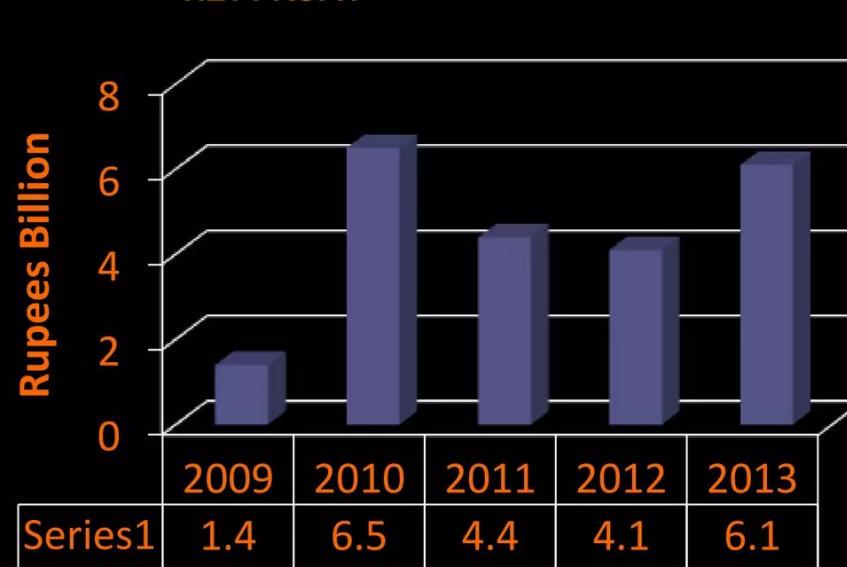
# COMPANY PROFILE

## PERFORMANCE ANALYSIS

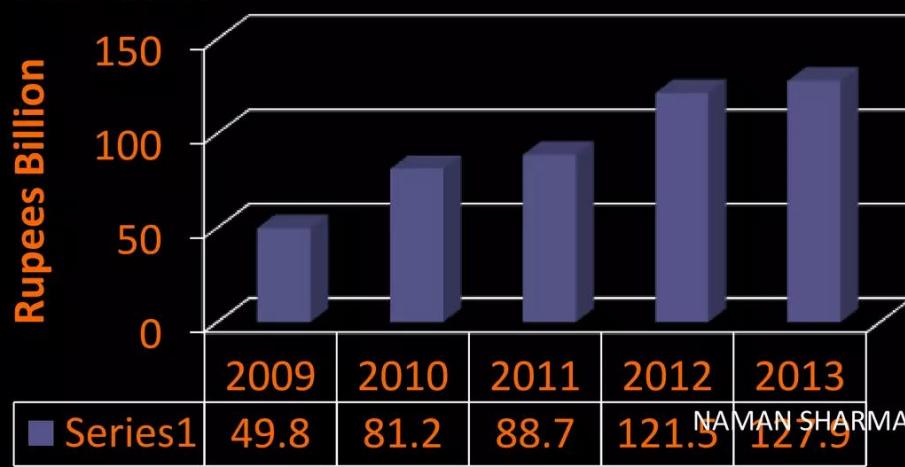
PLANT CAPACITY



NET PROFIT



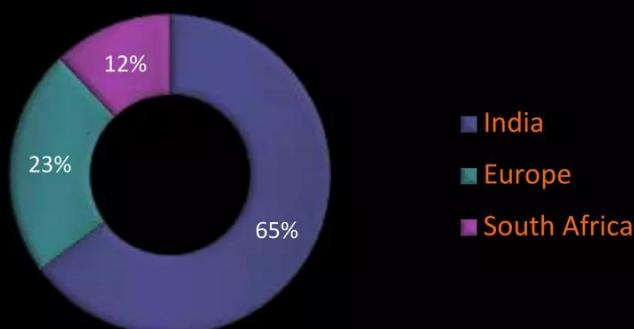
TOTAL SALES



# COMPANY PROFILE

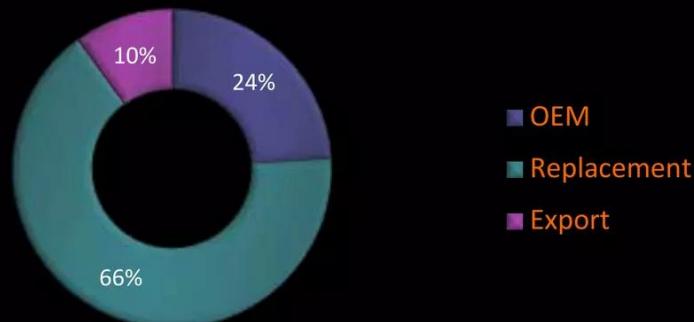
## REVENUE ANALYSIS

**Revenue By Geography**



Country/Area	Sales (In Billion Rupees)
India	83.135
Europe	29.417
South Africa	15.348

**Revenue By Customer**

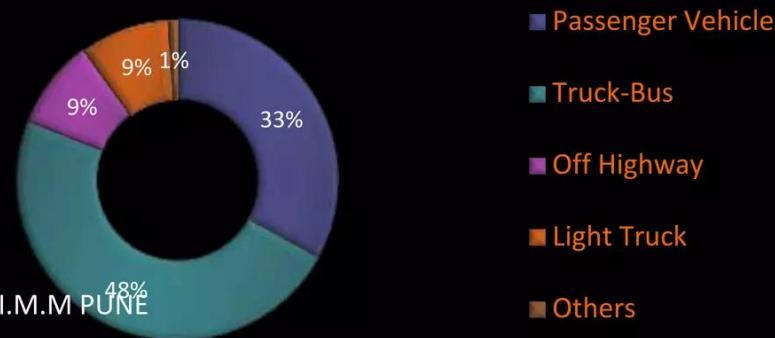


CUSTOMER	SALES ( In billion rupees)
OEM	30.696
Replacement	84.414
Export	12.79

**Revenue by Product**

PRODUCT	SALES (In billion rupees)
Passenger Vehicle	42.207
Truck-Bus	61.392
Off Highway	11.511
Light Truck	11.511
Others	1.279

NAMAN SHARMA - B.I.M.M PUNE



# MARKETING MIX

## PRODUCT

POTENTIAL PRODUCT	Height to Width Ratio is high
AUGMENTED PRODUCT	Rapid Acceleration, Multi Terrain, Superior Control at High Speeds
EXPECTED PRODUCT	High Elasticity, Low Steering Force, Low Maintenance, High Safety
BASIC PRODUCT	Traction, Durability, Reliability
CORE BENEFIT	Comfortable Ride

## BRAND – PRODUCT MATRIX

	Passenger cars	4x4	Light Truck	Truck/Bus	Bicycle	OTR & Earthmover	Specialty	2 Wheeler	3 Wheeler
Apollo	✓	✓	✓	✓	✗	✓	✓	✗	✗
Vredestein	✓	✗	✗	✗	✗	✗	✗	✗	✗
Kaizen	✗	✗	✗	✗	✗	✓	✗	✗	✗
Regal	✗	✗	✓	✗	✓	✗	✗	✗	✗
Mayola	✓	✗	✗	✗	✗	✗	✗	✗	✗

NAMAN SHARMA - B.I.M.M PUNE

# MARKETING MIX

## PRODUCT

### COMMERCIAL VEHICLES

BRAND
XT-7
XT-7 HAULUG
XT-7 GOLD
AMAR
AMAR DLX
AMAR AT-RIB
AMAR GOLD
CARGO MILLER
CARGO TUF
CARGO MILLER
CARGO SL
MILESTAR
CHAMPION
CHAMPION GOLD
XT-9
XT-9 PLUS
XT-9 GOLD
XT-100K
LOADSTAR SUPER
LOADSTAR SUPER
GOLD
LOADSTAR SUPER
XP
RANCER
DURAMIL
LUG MILLER
ENDURANCE MD
ENDURANCE MA326
ENDURANCE MA
ENDURANCE CD
ENDURANCE LD
ENDURANCE RA
ENDURANCE DD

### PASSENGER VEHICLES

BRAND
ASPIRE 4G
ASPIRE
ALNAC 4G
AMAZER 4G
AMAZER 3G MAXX
AMAZER 3G
AMAZER XL
ACLERE MAXX
ACLERE
APTERRA HP (For SUV)
APTERRA HL (For SUV)
APTERRA HT (For SUV)
APTERRA AT (For SUV)
QUANTUM (For VAN/JEEP)
QUANTUM PLUS (For VAN/JEEP)
SPORTRACS (Vredestein Banden)
Ultrac Ceuto (Vredestein Banden)
Ultrac Sessanta (Vredestein Banden)
Ultrac SUV Sessanta (Vredestein Banden)

### OFF THE ROAD VEHICLES

BRAND
KRISHAK PREMIUM
POWERHAUL
FARM KING (RADIAL)
KRISHAK GOLD
KRISHAK SUPER
KRISHAK PREMIUM
KRISHAK PREMIUM CR
Y-LON
XTRAX IT 416
XTRAX IT 426
XTRAX E3
XTRAX GRADER
XTRAX RC317
DHRUV
XTRAX

NAMAN SHARMA - ELM MVM PUNE

# **MARKETING MIX**

## **PRICE**

**CARTEL BEHAVIOUR**

**MAJOR DETERMINANTS OF TYRE PRICE ARE**

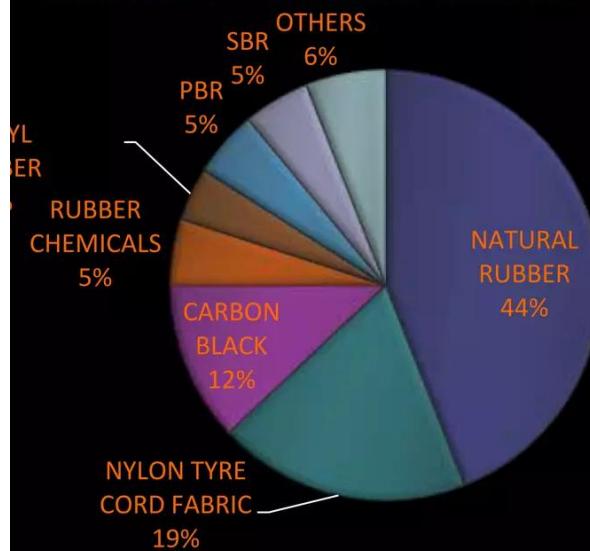
- COST OF RAW MATERIALS**
- COMPETITIVE PRICING**
- DEMAND**

# MARKETING MIX

## PRICE

### Cost of Raw Materials

#### RAW MATERIAL COMPONENTS OF TYRE



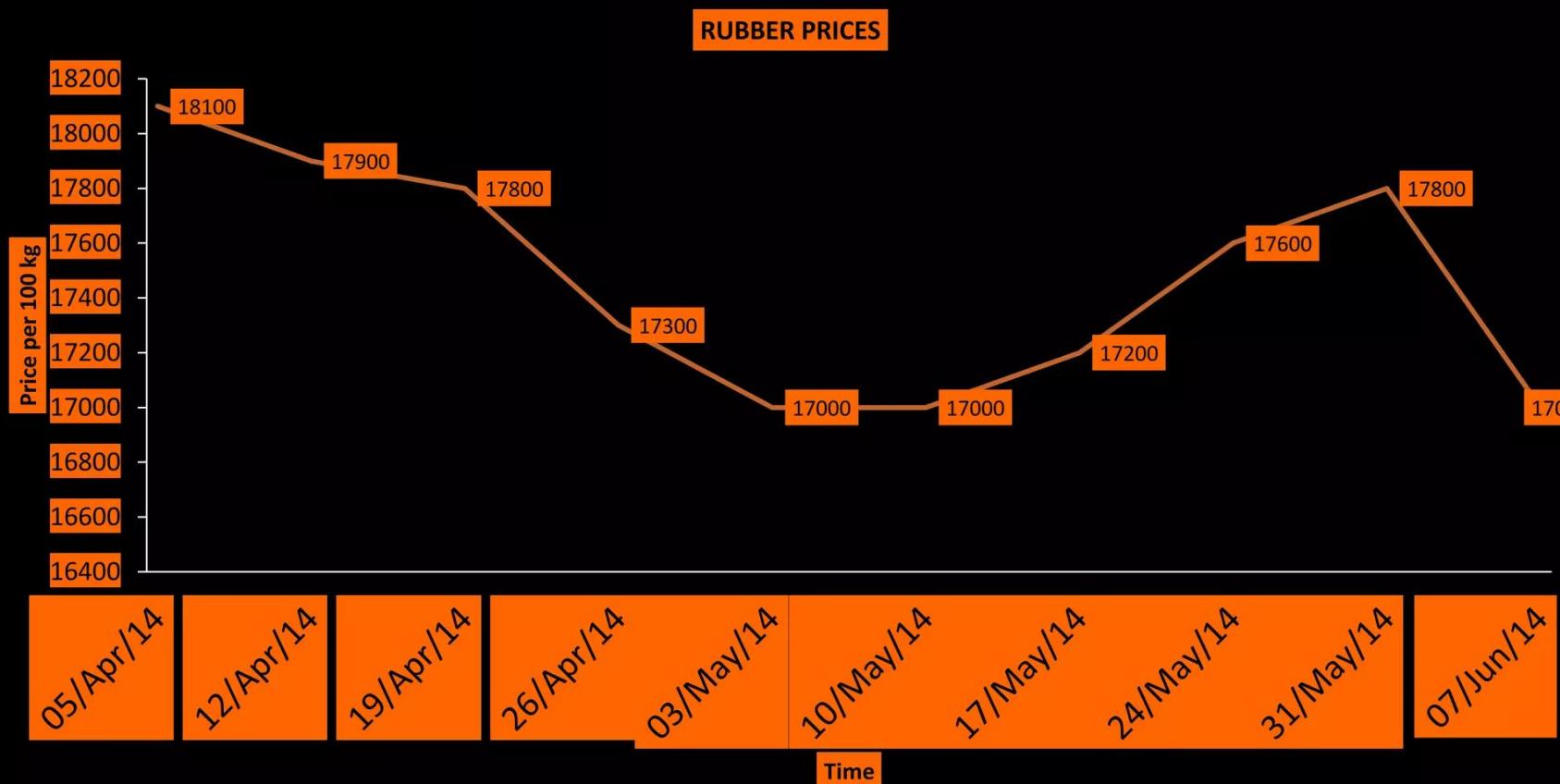
Raw Material	Total cons.*	Tyre Sector Cons*	Non tyre sector cons*	Total Imports	Tyre Sector imports	Non Tyre sector imports
Natural Rubber	964400	65%	35%	213780	95%	5%
SBR	185200	73%	27%	137000	100%	-
PBR	134600	83%	17%	62600	100%	-
Carbon Black	410000	100%	-	90000	100%	-
Nylon Tyre Cord	125000	100%	-	58000	100%	-
Rubber Chemicals	40000	100%	-	20000	100%	-
Steel tyre cord	30000	100%	-	20000	100%	-
Butyl rubber	58000	100%	-	58000	100%	-

NAMAN SHARMA - B.I.M.M PUNE

# MARKETING MIX

## PRICE

### Cost of Raw Materials



NAMAN SHARMA - B.I.M.M PUNE

# MARKETING MIX

## PROMOTION

### The 6 M of promotion

**MONEY**- About 2-3% of company's revenue is being used for advertisement and product promotion.

**MEDIA**- Company is using a variety of media resources starting from public relations to direct marketing to relationship marketing

**MESSAGE**- Main focus is on communicating their vision of providing best value to customers in terms of quality, durability and value for money.

**MISSION**- Mission is to strengthen their brand awareness and improvement of perception

**MARKET**- Communication is based on the consideration that their market consists of both end customer (replacement market) and B2B (OEM market).

**MEASURE**- Metrics used are response rate at customer level and loyalty rate at OEM level.

# **MARKETING MIX**

## **PROMOTION**

**August 2013 major joint venture with  
“Manchester United”**

**Apollo produce football based play zones  
constructed from used tyres**

**As a part of promotion scheme company is  
offering major product discounts**

# MARKETING MIX PLACE

CHANNEL INTENSITY – HIGH END INTENSE  
CHANNEL WITH A NETWORK OF 4000  
DEALERS (REPLACEMENT MARKET)



# S.W.O.T

## INTERNAL FACTORS

### Strengths:-

- Strong Brand recall
- Huge Brand portfolio
- Huge Product portfolio
- Robust Inorganic growth
- Operates in large international markets
- Extensive distribution network
- Established a premium position in European market

### Weakness:-

- Involvement in price fixing allegations impacts company's reputation.
- India has large 2-3 wheeler tyre segment however Apollo does not manufacture for this category.
- Company is not able to pass cost escalations to consumers due to intense competition.
- Labour unrest and strikes.

# S.W.O.T

## EXTERNAL FACTORS

### Opportunities:-

- Poised to benefit from growing automotive manufacturing industry in India.
- Expansion into Sri Lankan automobile market.
- Europe developing as a key market
- Company is planning to grow into new markets such as America Australia and South East Asia

### Threats:-

- Economic downturn in key markets such as India and Europe
- Increased competition from global players like Michelin and Bridgestone in India particularly in truck bus radial tyre category
- Increase in raw material price volatility
- Threat from cheap Chinese import

# TOWS MATRIX

<b>SO STRATEGY</b> <ul style="list-style-type: none"><li>Huge brand portfolio of the company will help them during their inorganic growth in new markets by gaining more market share and at the same time de risking the company from relying only on 1 product or 1 market.</li><li>Growth in European market will increase company's global presence and will lead to higher brand recall and will make company a global player.</li><li>Exploration of new virgin markets in South East Asia and Africa may make company market leader over there and can increase the sale drastically</li></ul>	<b>WO STRATEGY</b> <ul style="list-style-type: none"><li>Lack of presence in 2 and 3 wheeler segments will be a huge setback for company in new markets.</li><li>Involvement in price fixing allegations may affect company's image in new market</li></ul>
<b>ST STRATEGY</b> <ul style="list-style-type: none"><li>Strong brand recall under their Vredestein brand but economic downturn in European market will slow them down.</li><li>Have good financial position but have to compete with international brands.</li></ul>	<b>WT STRATEGY</b> <ul style="list-style-type: none"><li>Large amount of labour strikes will affect production thus hampering sales in new market</li><li>Government policies will play a crucial role in new markets</li><li>Cheap Chinese import will take benefit from intense competition thus company may be forced to reduce prices further</li></ul>

# **STRATEGIES**

## **GROWTH STRATEGIES**

### **HORIZONTAL INTEGRATION -**

#### **APOLLO – DUNLOP MERGER –**

- Purchased Dunlop tyres in 2006.
- 3 production units whose total capacity is 180 tonnes a day

#### **APOLLO – VREDESTEIN BANDEN ACQUISITION -**

- Added \$ 450 million to Apollo's Annual sales
- Entry in European market
- Plant in Enschede had an annual capacity for 5.5 million tyres.

### **VERTICAL INTEGRATION-**

- Acquired 10,000 hectares of rubber plantation in Laos in South East Asia

### **DIVERSIFICATION**

- Apollo LogiSolutions
- UFO Moviez

# INDUSTRY ANALYSIS

NAMAN SHARMA - B.I.M.M PUNE

# CURRENT OVERVIEW

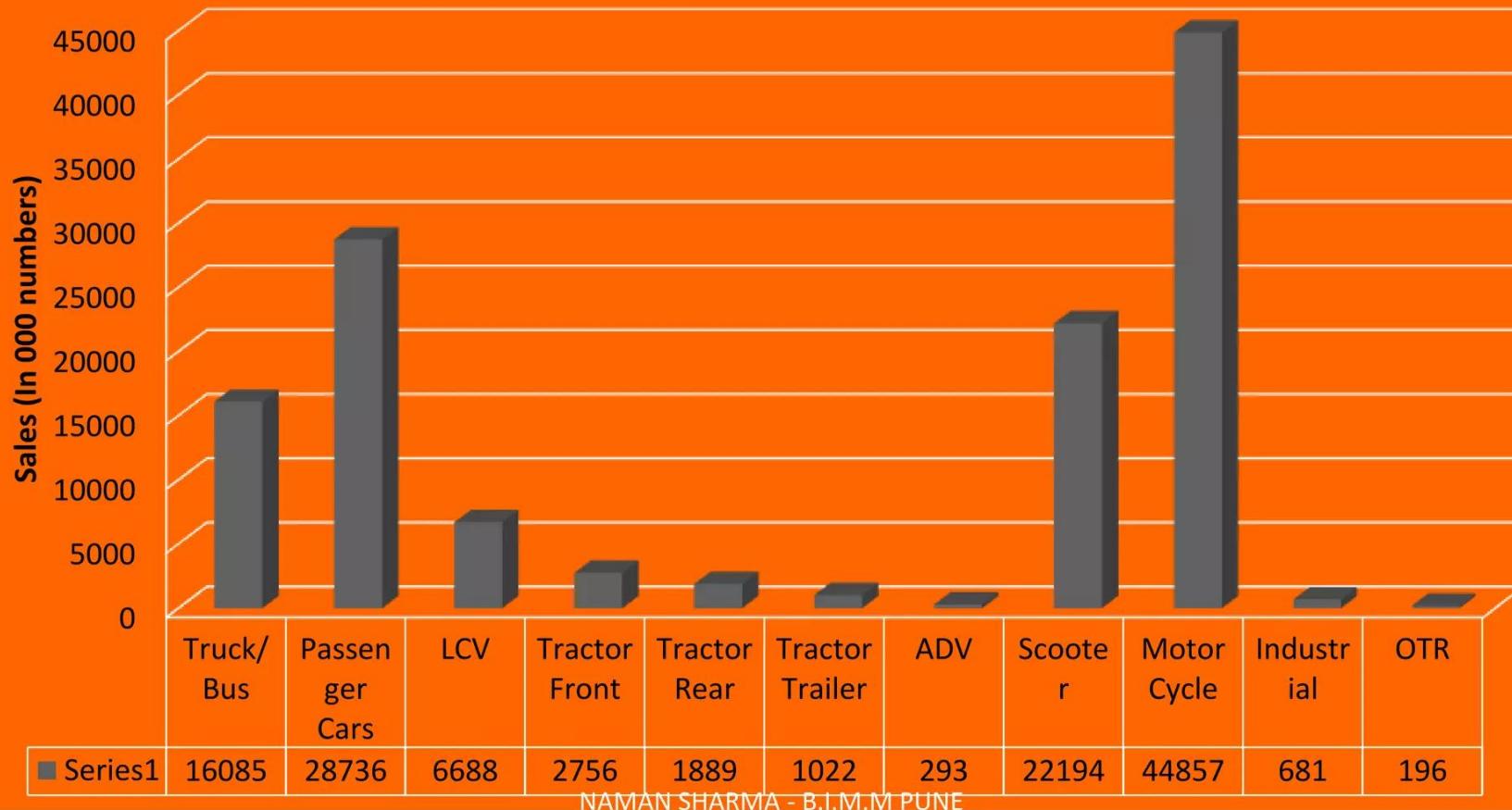
FOR (2011-2012)

Turnover of Indian tyre industry	Rs 43,000 crores
Tyre Production (Tonnage)	15 Lakh M.T
Tyre Production – All Categories	2254 lakhs
Number of tyre companies	39
Industry Concentration	10 companies account for 95% of production
Radialisation Level	Passenger cars – 98% Light Commercial Vehicles – 20% Heavy Vehicles- 18%

# CURRENT OVERVIEW

FOR (2011-2012)

Categorywise tyre Supply



# CURRENT OVERVIEW

FOR (2011-2012)

## CATEGORYWISE TYRE PRODUCTION IN INDIA

FY 2011-12 – 2012-13 (April – December)  
(In lakh no.)

Tyres for:	2011-12	2012-13	Change
Truck & Bus	119.51	127.09	6%
Passenger Car	213.79	238.83	12%
L.C.V	50.52	44.95	-11%
Tractor Front	20.59	21.13	3%
Tractor Rear	14.13	14.26	-0.3%
Tractor Trailer	7.48	6.77	-9%
Scooter/Moped	166.36	121.58	-27%
Motor cycle	340.67	320.80	-6%
Off The Road	1.44	2.25	56%
Other tyres	7.18	7.42	3%
Total	941.84	922.05	-2%

## REVENUEWISE TYRE INCOME

FY 2011-12

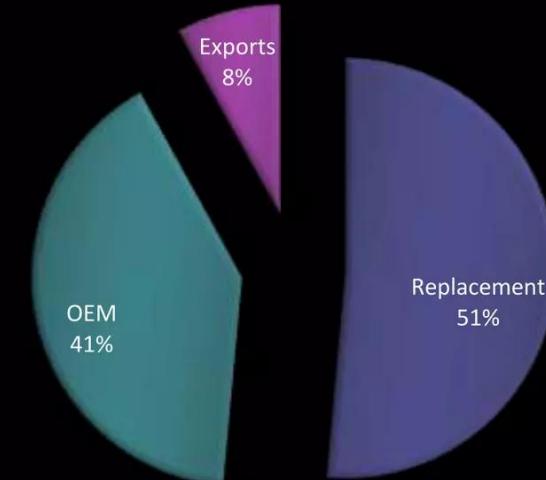
SEGMENT	REVENUE(in %)
TRUCK/BUS	54%
LIGHT TRUCK	9%
PASSENGER CARS	14%
FARM	8%
TWO WHEELER	13%
OTHERS	3%

# CURRENT OVERVIEW

FOR (2011-2012)

SEGMENT WISE TYRE SUPPLY				
FY 2012-13(April-December)				
Category	Production (nos) 2012-13 (April- December)	Segmentwise Supply		
		Replacement Market/Govt .	OEM	Exports
Truck/Bus	12709061	9277614	1779268	1652179
Passenger car	23883000	12657990	10030986	1194150
L.C.V	4495000	1887900	1573250	988900
Tractor Front	2113000	1225540	866330	2113
Tractor Rear	1426000	527620	869860	28520
Scooter/Moped	12158000	4498460	6808480	851060
Motor Cycle	32080000	12511200	18606400	962400

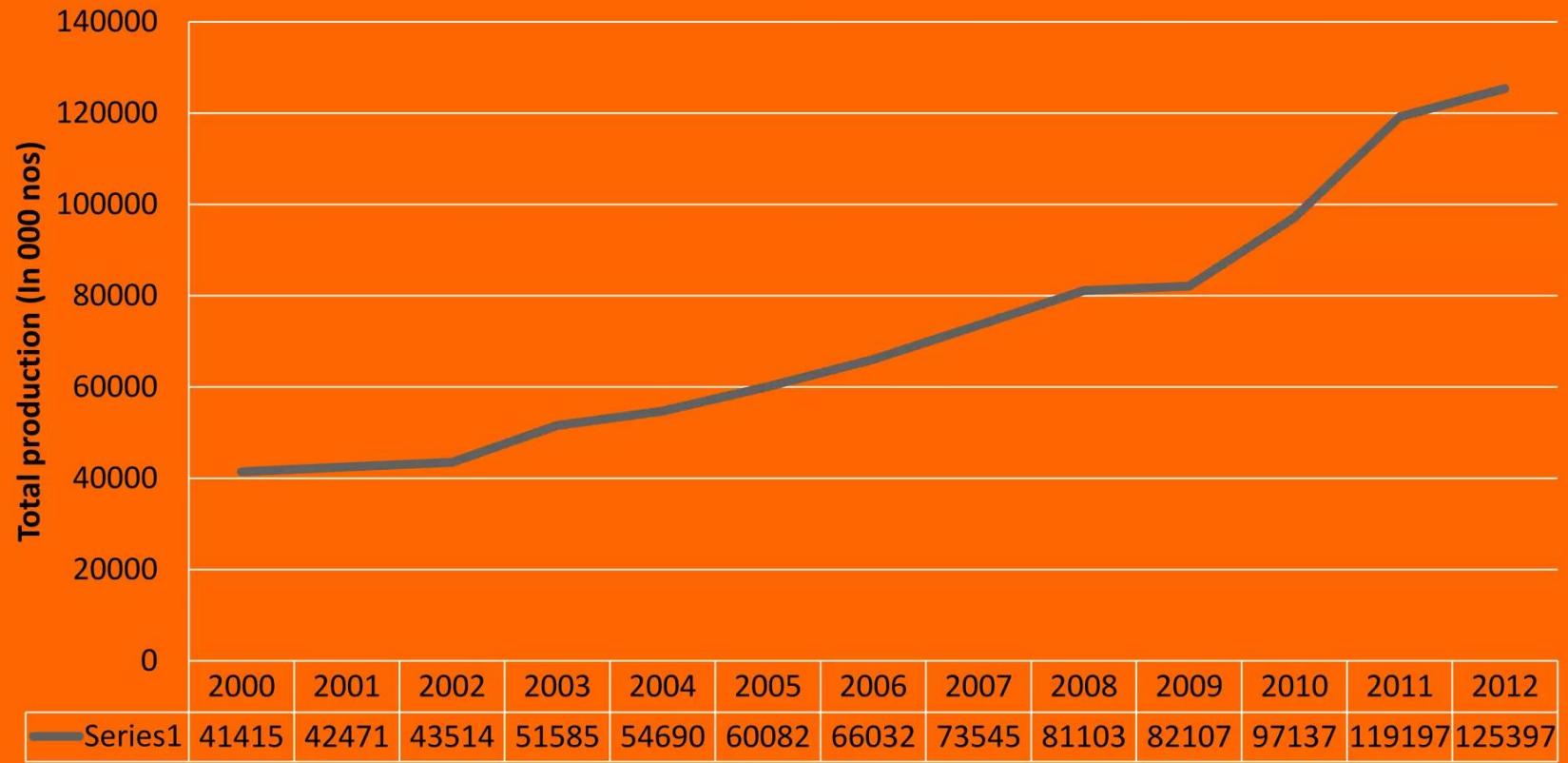
NAMAN SHARMA - B.I.M.M PUNE



# CURRENT OVERVIEW

FOR (2011-2012)

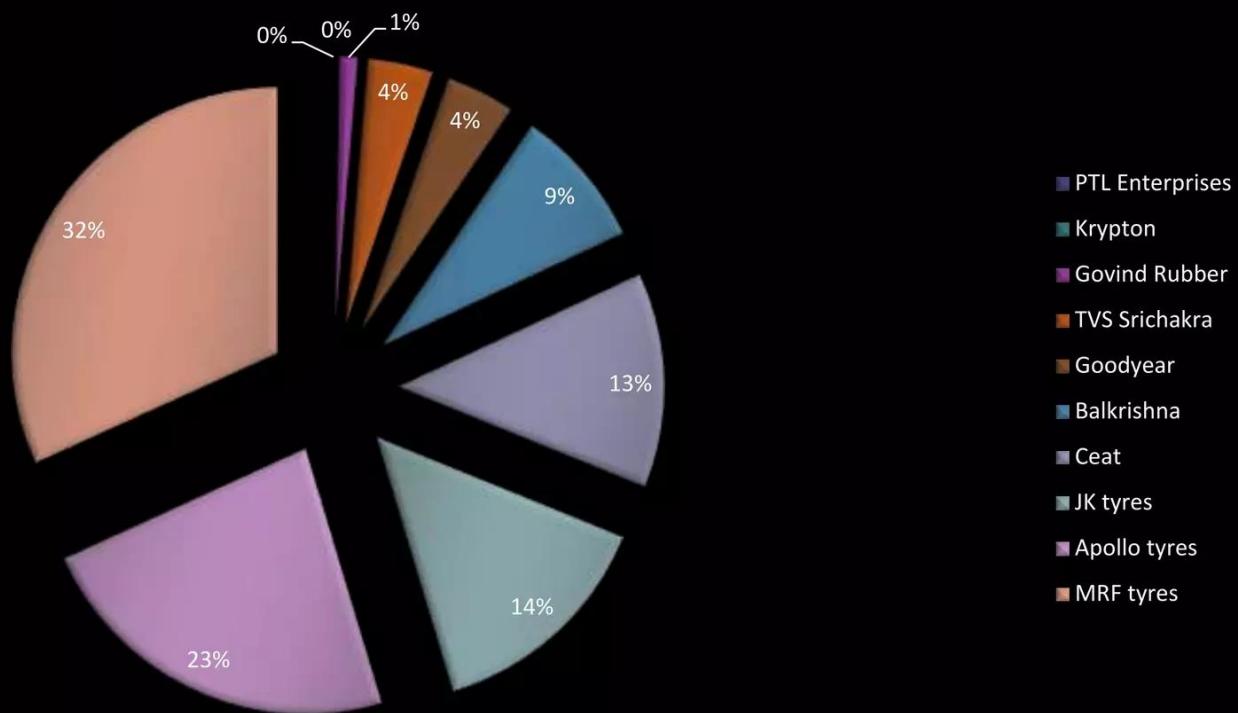
Growth rate of tyre industry



# CURRENT OVERVIEW

FOR (2011-2012)

Indian Tyre Market



NAMAN SHARMA - B.I.M.M PUNE

# P.E.S.T ANALYSIS

## POLITICAL FACTORS

- Serious anomaly of Customs Duty on raw-material (Natural Rubber@20%) being higher than the Customs Duty on finished product (Tyres @10%)
- Proposed custom duty for RAW materials not being implemented

No.	Raw-Material(s)	Customs Duty (%)	Proposed
1	Nylon Tyre Cord	10%	5%
2	PBR	10%	5%
3	Rubber Chemicals	7.50%	2.50%
4	Steel Tyre Cord	10%	5%
5	Polyester Tyre Cord	5%	Nil

# P.E.S.T ANALYSIS

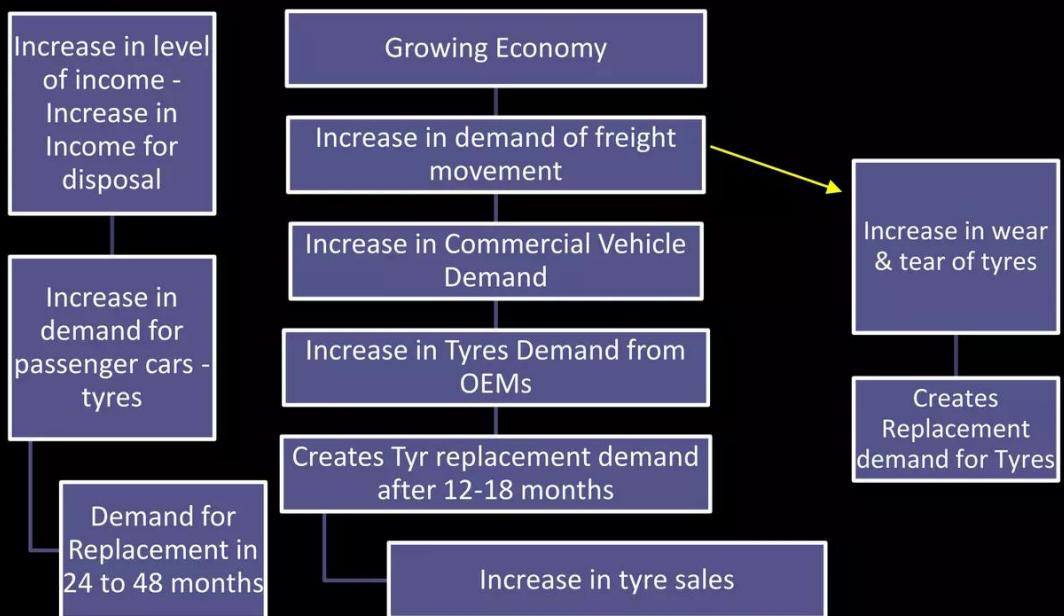
## POLITICAL FACTORS

- Duties of WTO nations under FTA differ from normal duties which creates different prices and price fluctuations

Product	Custom Duty in %	Asia Pacific Trade Agreement	Indo-Sri Lanka Agreement	SAFTA-Pakistan,Sri Lanka	SAFTA-Bangladesh,Bhutan,Maldives,Nepal	India – Singapor e CECA	India – South Korea CEPA	India-Chile Agreem ent	India-Japan CEPA	India-Malaysia Trade agreeme nt	India-ASEAN
Truck/Bus(Radial)	10%	8.6	Nil	6	Nil	N.C	N.C	N.C	N.C	7	7
Truck /Bus(Bias)	10%	8.6	Nil	6	Nil	Nil	N.C	N.C	N.C	N.C	7
Motor Cars(Radial)	10%	8.5	Nil	6	Nil	N.C	N.C	N.C	N.C	7	7
Motor Cars(Bias)	10%	8.5	Nil	6	Nil	Nil	N.C	N.C	N.C	N.C	7
Aircraft	0%	2.58	Nil	3	Nil	0.75	2.25	N.C	0	N.C	2
Motorcycle	10%	8.6	Nil	6	Nil	Nil	N.C	N.C	N.C	7	7
Scooter	10%	8.6	Nil	6	Nil	Nil	N.C	N.C	N.C	N.C	7
Industrial Vehicle	10%	8.6	Nil	6	Nil	Nil	7.81	N.C	7.3	5	5
Tractor	10%	8.6	Nil	6	Nil	Nil	7.81	N.C	7.3	5	5
Use rubber tyres	10%	N.C	N.C	6	Nil	Nil	N.C	N.C	N.C	N.C	7
Retreaded tyres	10%	N.C	N.C NAMAN SHARMA	6	B.I.M.M PUNE	7.81	N.C	N.C	N.C	5	7

# P.E.S.T ANALYSIS

## ECONOMICAL FACTORS



# P.E.S.T ANALYSIS

## SOCIAL FACTORS

- Nuclear families
- High vehicle density per family

## TECHNOLOGICAL FACTORS

- Radial expansion
- Greenfield projects

# COMPETITOR ANALYSIS

## MRF

### SW Analysis of MRF

#### STRENGTH

- Extremely high brand recall.
- Extreme brand loyalty with present customers
- High amount of customer satisfaction
- Presence in niche segments like aviation tyres, defence sector.
- Diversification in toys and racing.
- Has the highest market share and still commands the PRICE MAKER STATUS

#### WEAKNESS

- MRF's only Achilles heel is dealer relations. Although MRF has good policy supporting dealers but company hardly pay any attention on incentivizing the dealer.
- High labour unrest and strikes

# COMPETITOR ANALYSIS

## J.K TYRES

### SW of JK Tyres

#### Strengths

- Presence in low cost segments under the brand name VIKRANT.
- Large product and brand portfolio
- Second largest exporter of tyres after CEAT(2012)
- Good brand perception in India and good brand recall

#### Weakness

- An excessive “Indian” touch has been given to the company which is not good either in imports or in exports.
- Very less concern about 2 wheeler and 3 wheeler segment.
- Limited market share due to presence of other big brands.

# COMPETITOR ANALYSIS

## CEAT

### SW analysis of CEAT

#### Strength

- CEAT has done tie ups with global players like Pirelli to import technology of radial tyres
- Ceat acquired Harrison rubber unit which drastically reduced its operating cost
- Largest exporter of tyres in 2012

#### Weakness

- Less presence in the international markets compared to industry leader despite being largest exporter
- Has a very limited market share

# COMPETITOR ANALYSIS

GOODYEAR

## SW of Goodyear

### Strength

- Second highest global market share , market leader in USA and second highest market share in Europe.
- Global footprints with operations at 54 sites spread over more than 22 countries.
- High tech innovation centres at Ohio and Luxemburg provides them with cutting edge technology.
- Most successful tyre supplier in Formula 1 racing.
- Excellent team of 70,00 employees globally
- Strong brand recognition

### Weakness

- Weak supply chain
- Weak cost structures
- Penetration in Asian economies is very less.
- Alleged exposure to asbestos has weakened the brand image
- 19th largest air polluter in USA

# COMPETITOR ANALYSIS

## BRIDGESTONE

### SW analysis of BRIDGESTONE

#### Strengths

- Its 52 enterprises and 50,000 employees testify the fact that it is a huge brand name
- Huge diversification into other businesses like production of air springs, roofing materials , industrial fibers and textiles.
- Large size provides economies of scale
- Is going green under 'One Team One Planet'

#### Weakness

- No significant market in developing countries
- Products are perceived to be a high price segment products , hence it needs to work on developing economy products.

# COMPETITOR ANALYSIS

## MICHELIN

### SW Analysis of MICHELIN

#### Strength

- Manufacturing facilities in 18 countries with sales in 170 countries.
- They offer 'Maps and Guides' and have an excellent service 'Via Michelin' that helps in planning trip
- Strong and competent spirit of R&D

#### Weakness

- Stiff competition from existing tyre brands
- Not entered the emerging economies in a big way
- Over leveraged financial position

# COMPETITOR ANALYSIS

## CONTINENTAL

### SW Analysis of CONTINENTAL

#### Strength

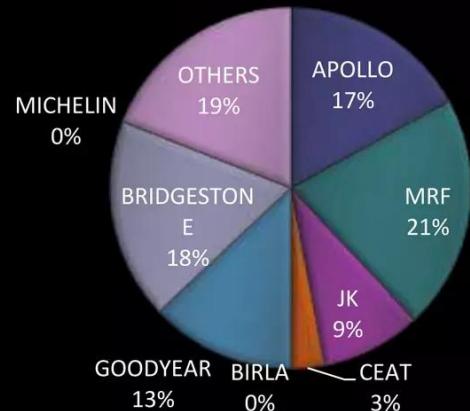
- Large product portfolio
- 140 years old company and true sense global with markets in Africa, Europe, America, Asia and Australia.
- Company is acquiring companies in Malaysia and Modi tyres in India thereby showing intentions of expanding in emerging economies of the world
- Sponsors of FIFA world cup 2014 and other major global events increasing its brand image drastically.

#### Weakness

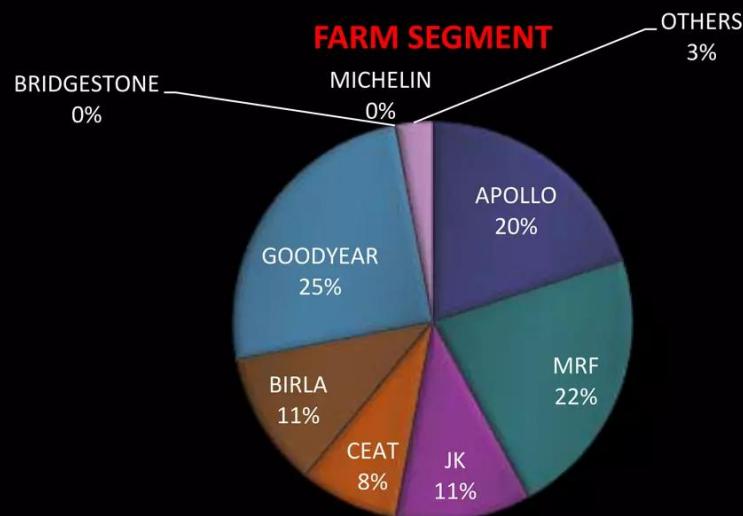
- Not much visible in India and a few emerging countries
- Have to deal with poor economic conditions in Japan, US and European economies

# CURRENT SCENARIO

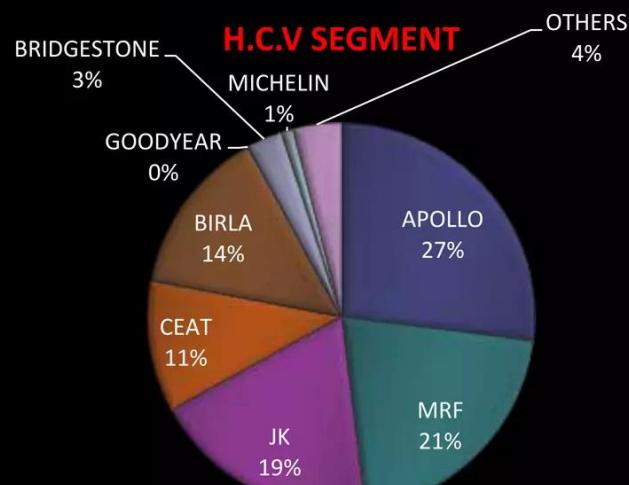
**P.C.R SEGMENT**



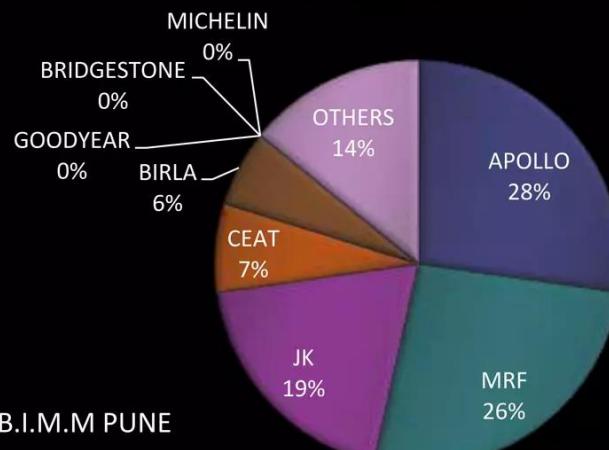
**FARM SEGMENT**



**H.C.V SEGMENT**



**L.C.V SEGMENT**



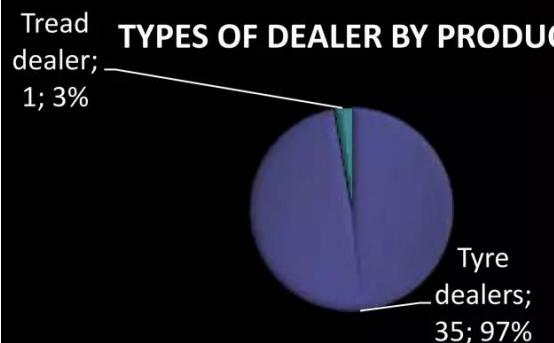
NAMAN SHARMA - B.I.M.M PUNE

# **ANALYSIS AND INTERPRETATION OF QUESTIONNAIRE**

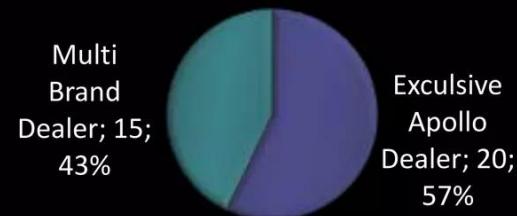
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

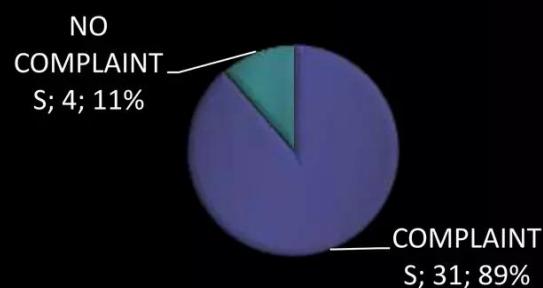
**TYPES OF DEALER BY PRODUCT**



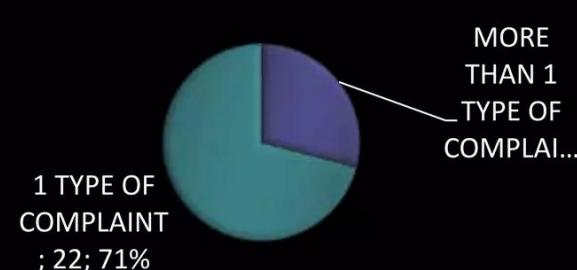
**TYPE OF DEALER BY NUMBER OF BRANDS**



**NUMBER OF COMPLAINTS**



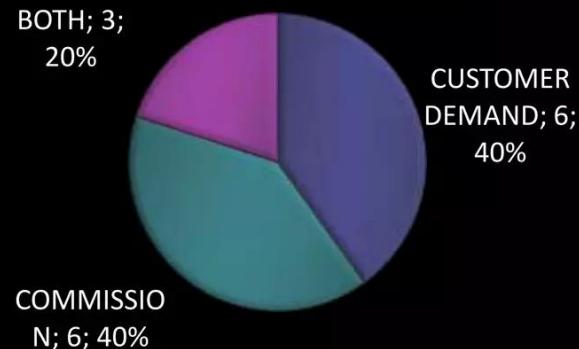
**NUMBER OF COMPLAINTS**



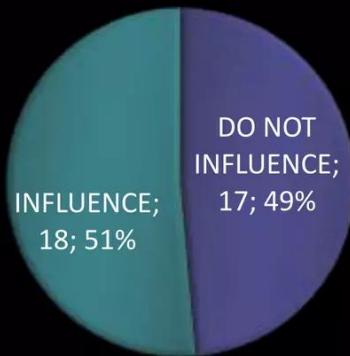
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

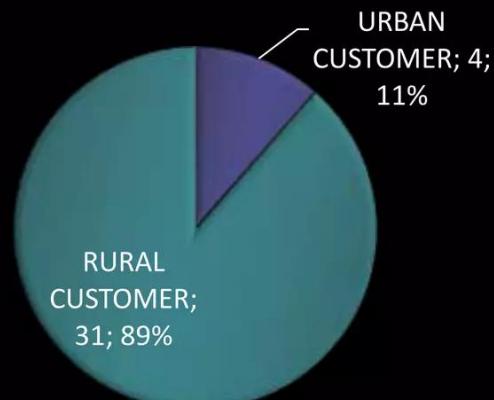
REASON FOR SALE OF OTHER COMPANY'S PRODUCT



INFULENCING CUSTOMER



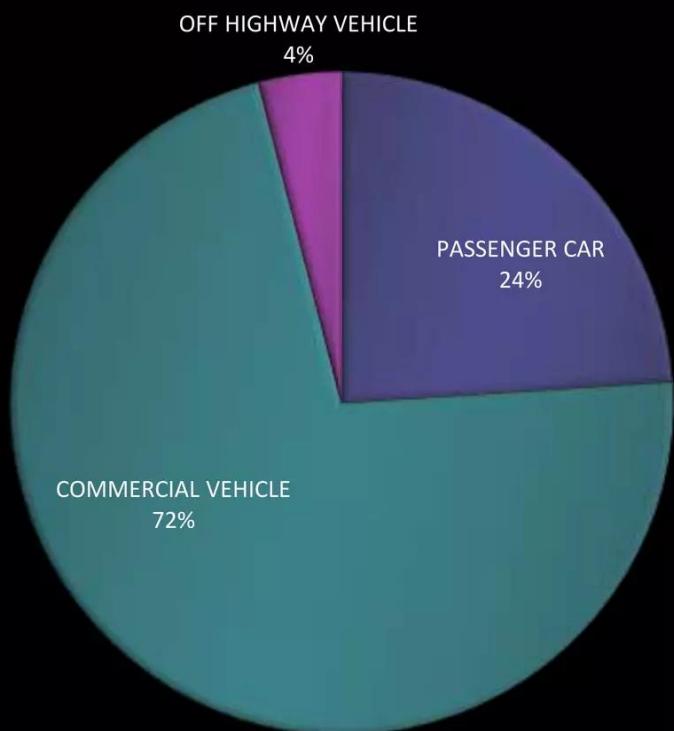
HIGHER BARGAINING POWER



NAMAN SHARMA - B.I.M.M PUNE

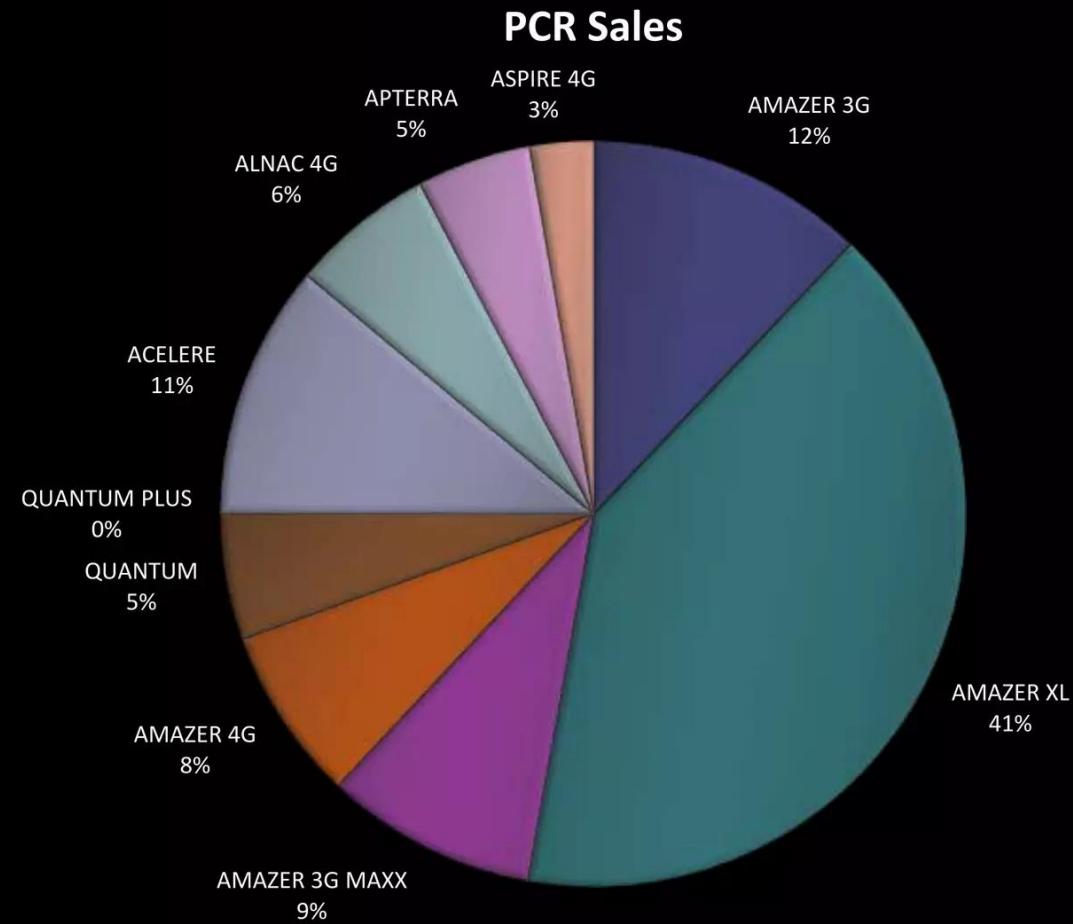
# DEALER ANALYSIS

CATERGORY WISE SALES



NAMAN SHARMA - B.I.M.M PUNE

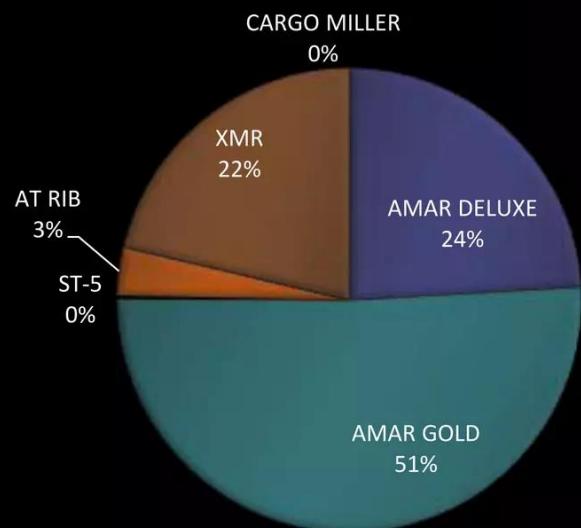
# DEALER ANALYSIS



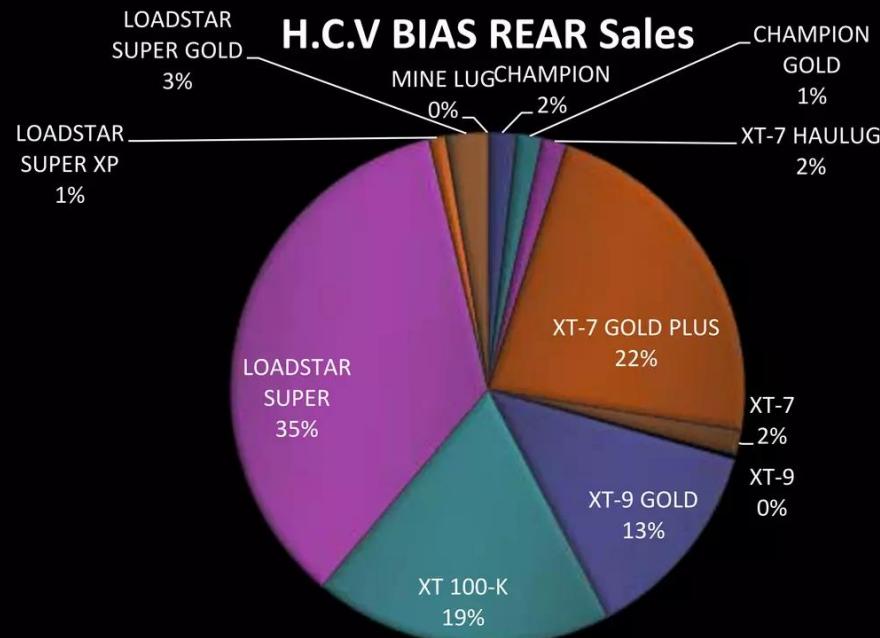
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

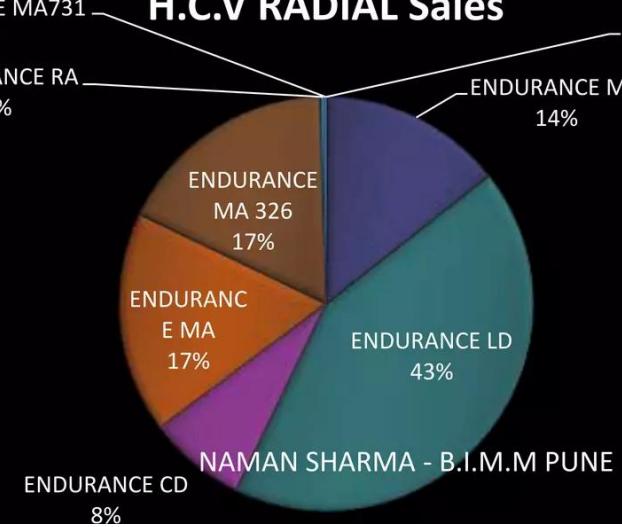
## H.C.V BIAS FRONT Sales



## H.C.V BIAS REAR Sales

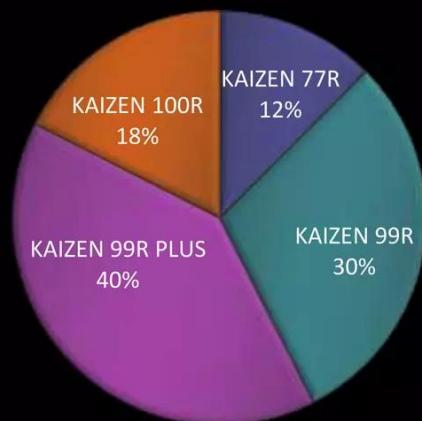


## H.C.V RADIAL Sales

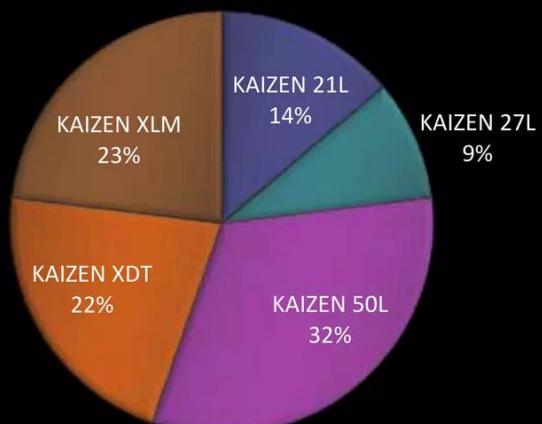


# DEALER ANALYSIS

## KAIZEN BIAS FRONT Sales



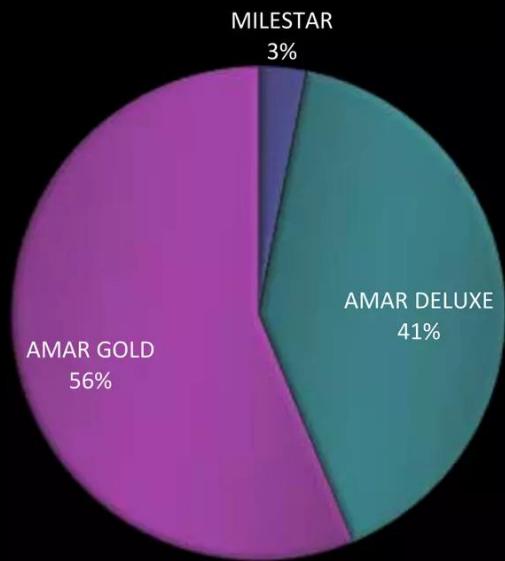
## KAIZEN BIAS REAR



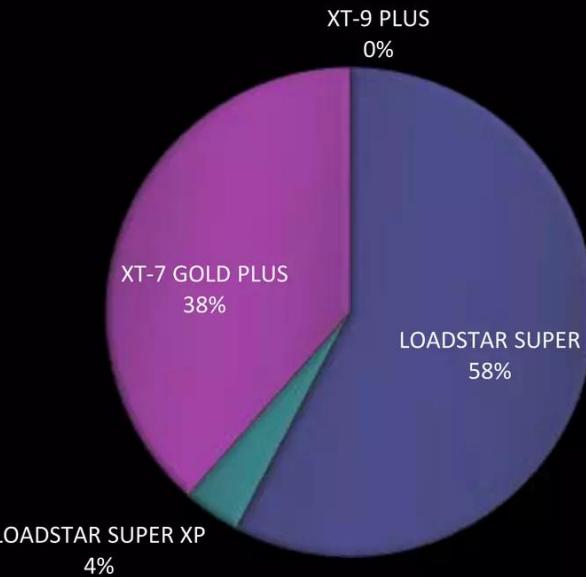
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

L.C.V BIAS FRONT Sales



L.C.V BIAS REAR Sales

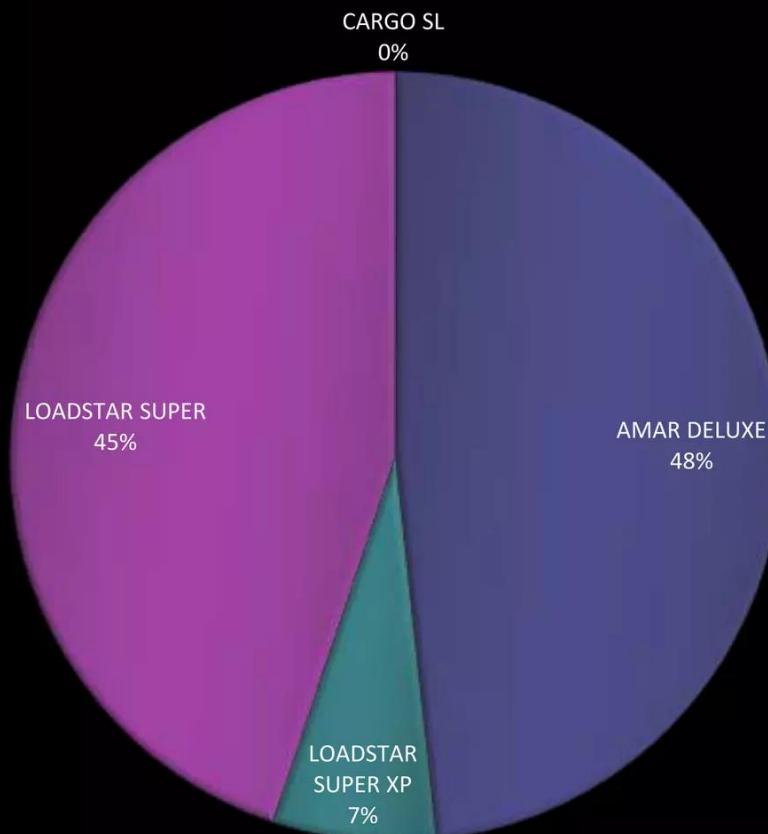


L.C.V RADIAL Sales



# DEALER ANALYSIS

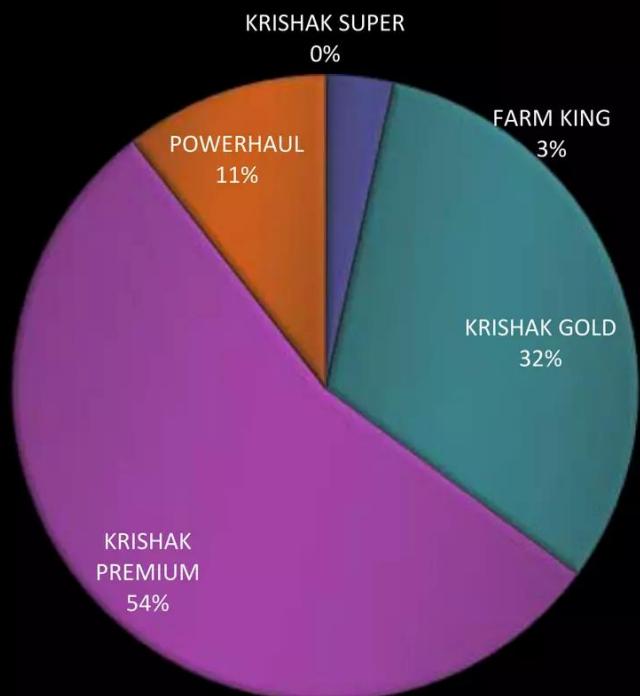
S.C.V Sales



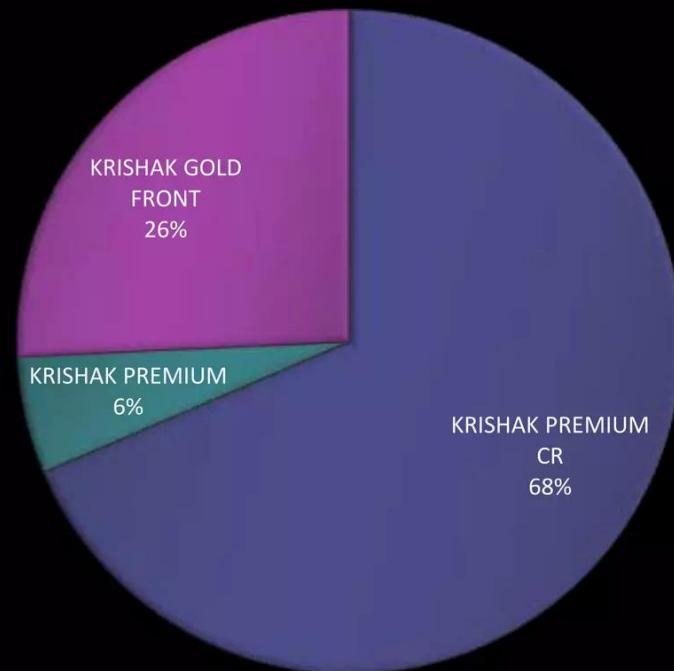
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

TRACTOR REAR Sales



TRACTOR FRONT Sales



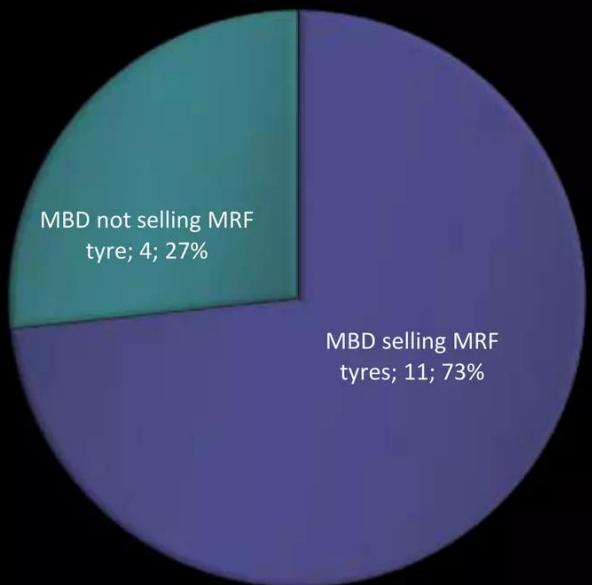
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

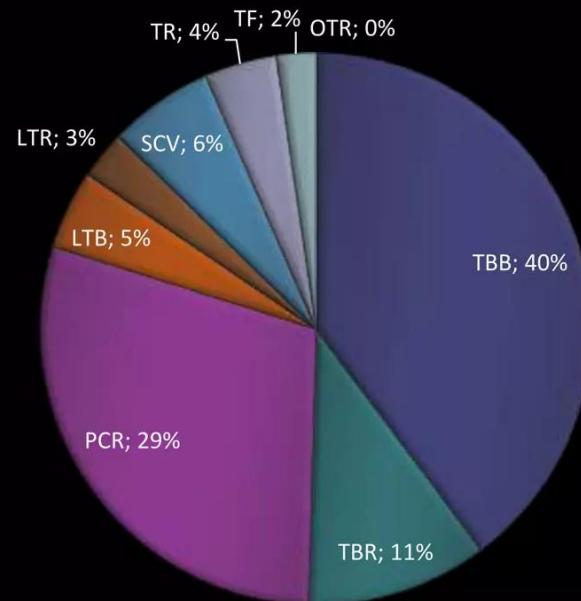
## COMPETITOR PENETRATION

### MRF

MRF PENTRATION



SEGMENT WISE SALES FROM MBD

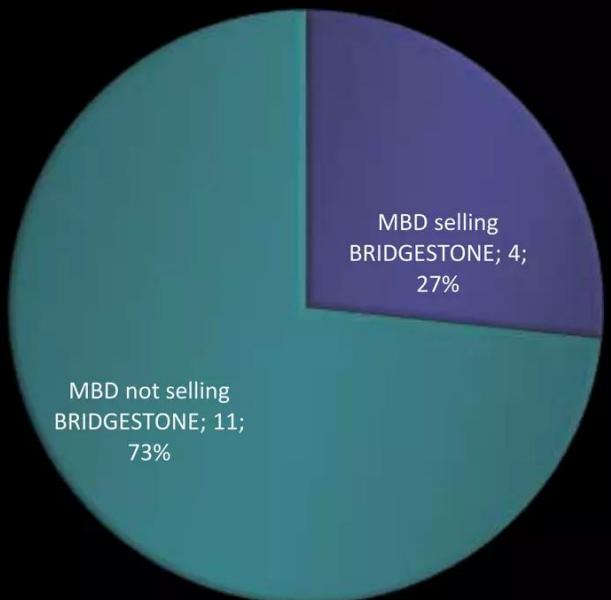


# DEALER ANALYSIS

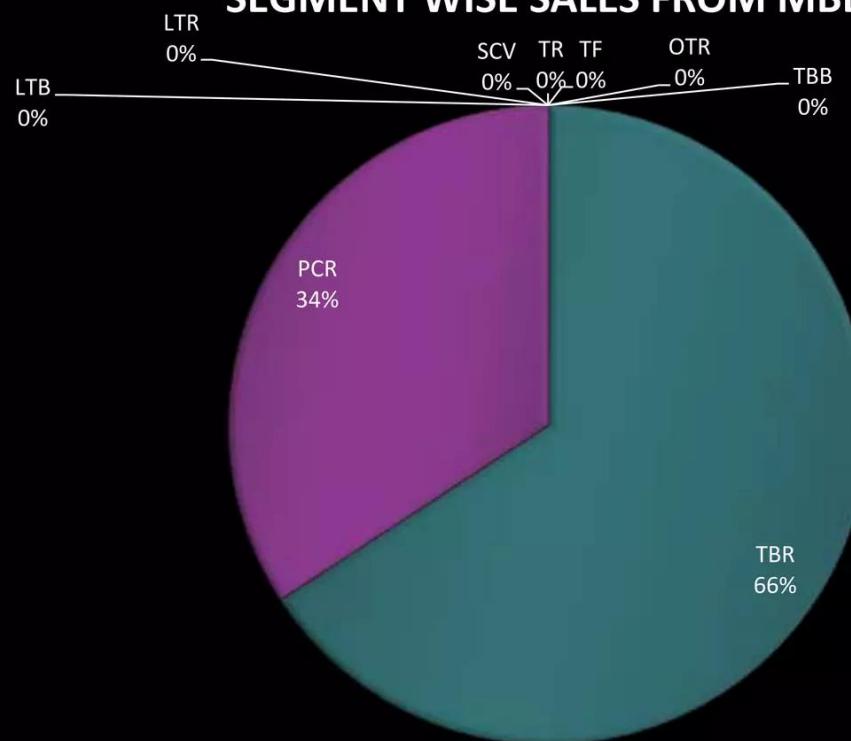
## COMPETITOR PENETRATION

### BRIDGESTONE

BRIDGESTONE PENETRATION



SEGMENT WISE SALES FROM MBD



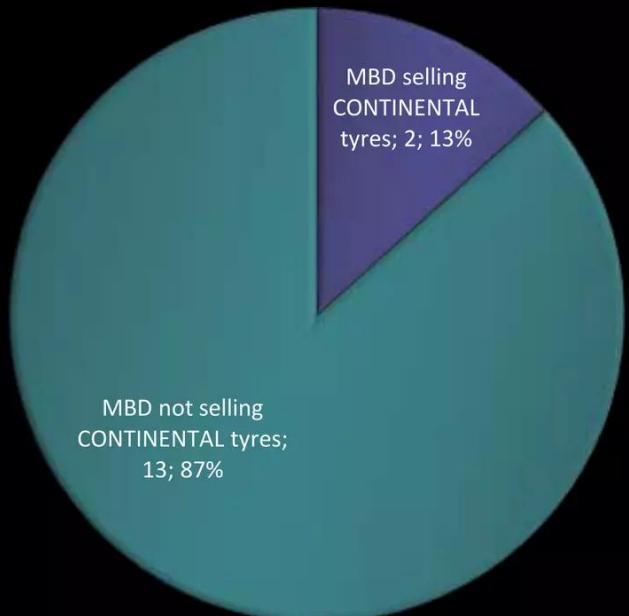
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

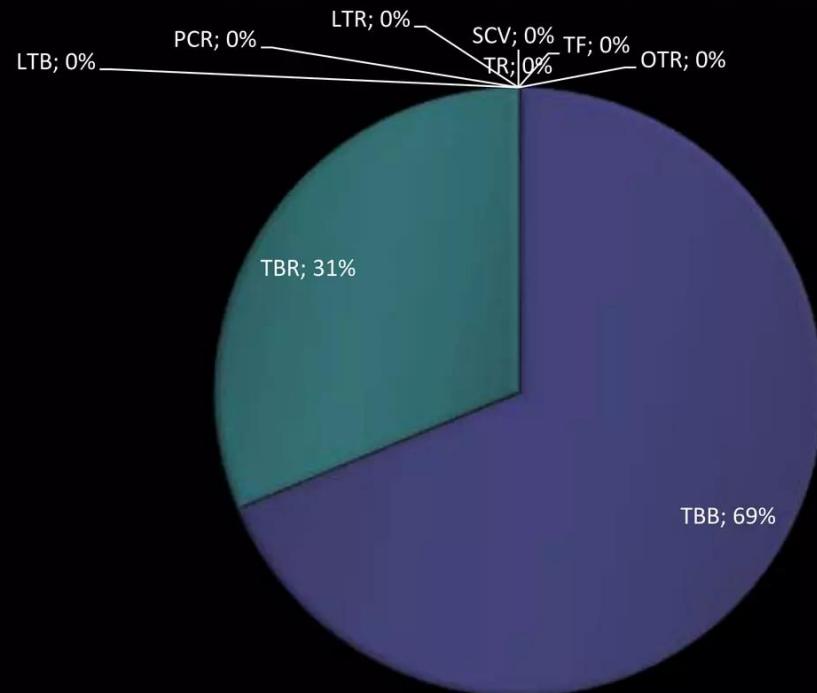
## COMPETITOR PENETRATION

### CONTINENTAL

CONTINENTAL PENTRATION



SEGMENT WISE SALES FROM MBD

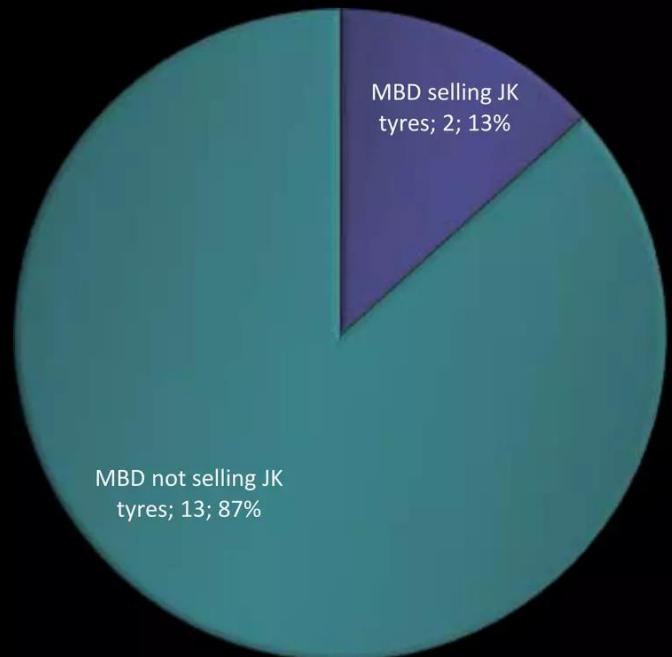


# DEALER ANALYSIS

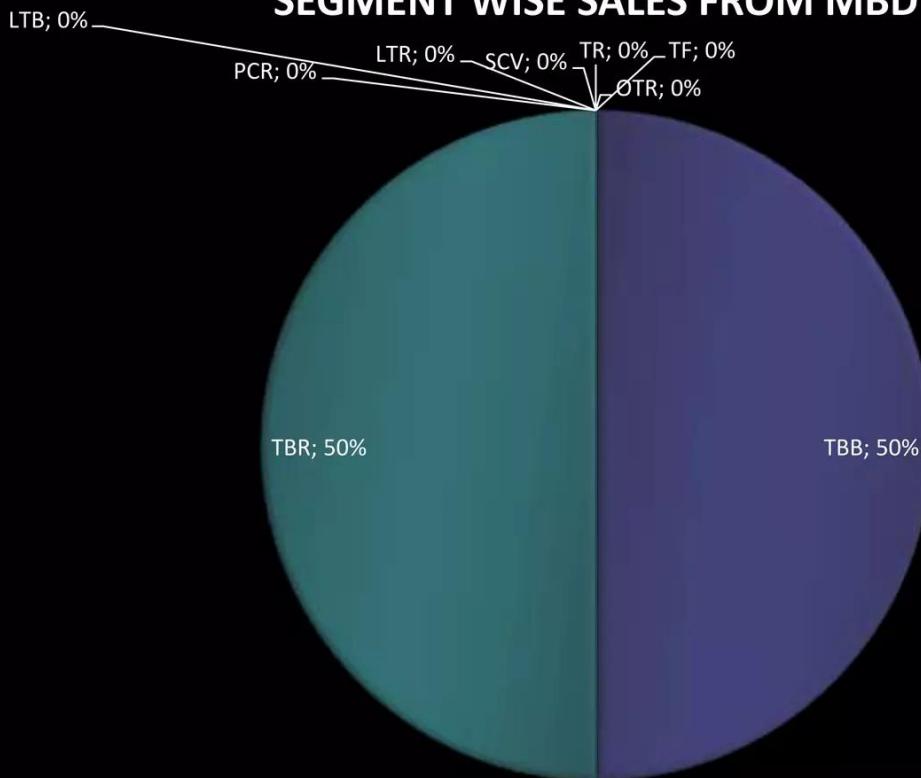
## COMPETITOR PENETRATION

J.K TYRES

JK PENTRATION



SEGMENT WISE SALES FROM MBD



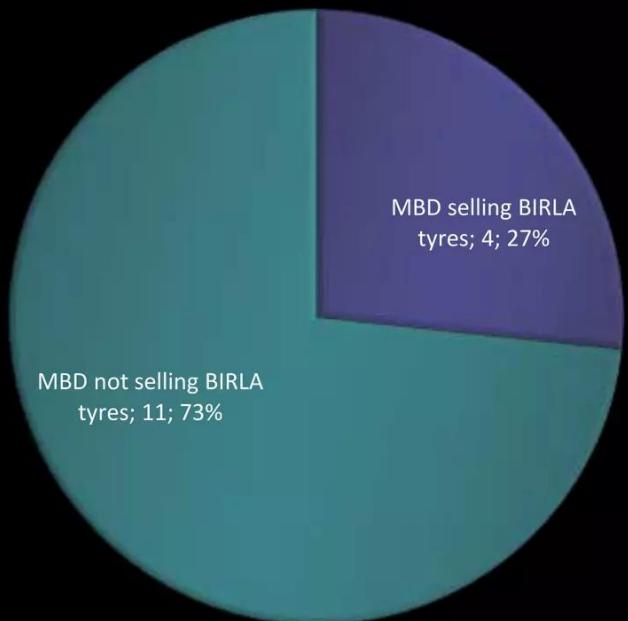
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

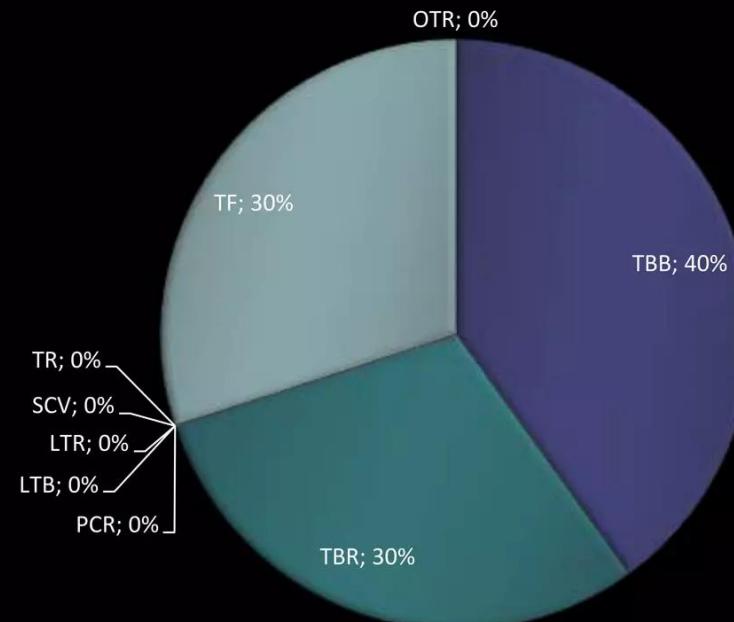
## COMPETITOR PENETRATION

### BIRLA

BIRLA PENETRATION



SEGMENT WISE SALES FROM MBD



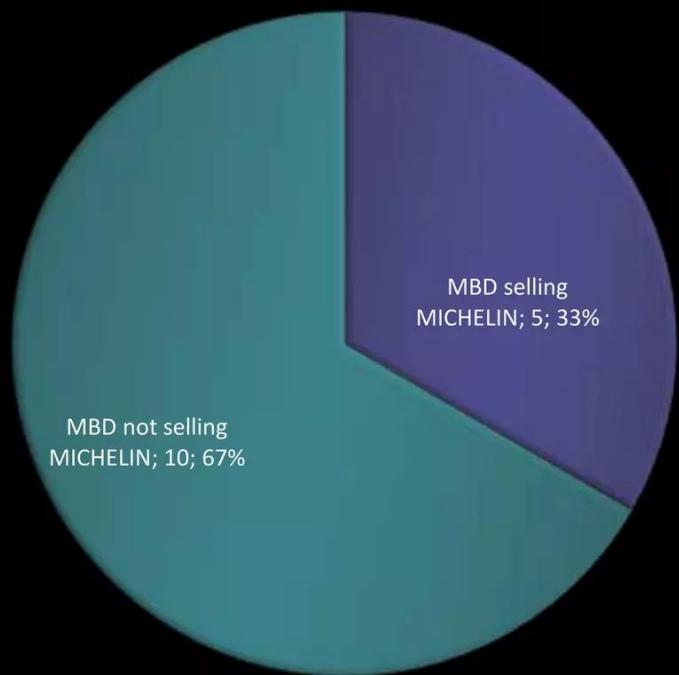
NAMAN SHARMA - B.I.M.M PUNE

# DEALER ANALYSIS

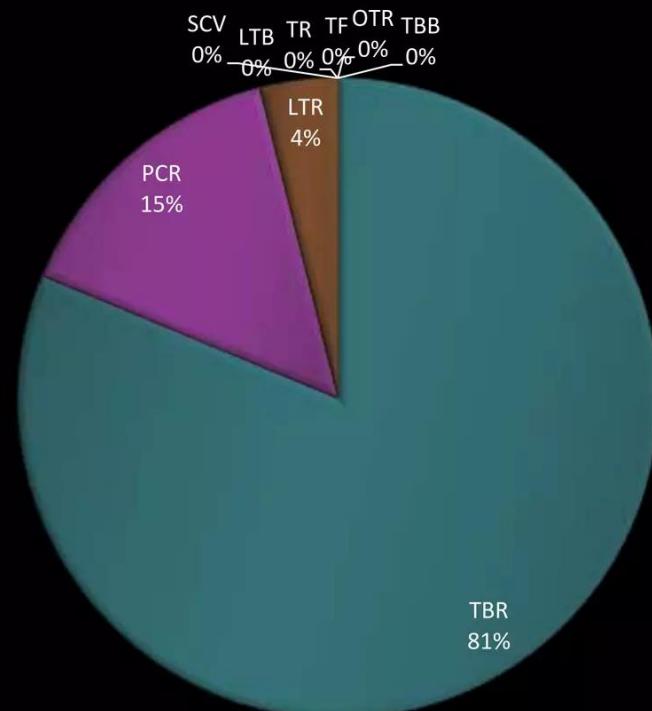
## COMPETITOR PENETRATION

### MICHELIN

MICHELIN PENTRATION



SEGMENT WISE SALES FROM MBD



# DEALER ANALYSIS USING SPSS

Q1 Is there any correlation between number of brands (companies) a dealer is keeping and his total sales?

- $H_0$  : Total sales of a dealer is independent of the number of brands (companies)
- $H_A$  :  $H_0$  is false.

Correlations			
		Number Of Brands	Total Sales
Number Of Brands	Pearson Correlation	1	.702**
	Sig. (2-tailed)		.000
	N	35	35
Total Sales	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.000	
	N	35	35

\*\*. Correlation is significant at the 0.01 level (2-tailed).

There is strong correlation between Number of brands(companies) a dealer is keeping and total sales at 0.702 and is significant at 0.000 therefore we reject  $H_0$

# DEALER ANALYSIS USING SPSS

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.702 <sup>a</sup>	.493	.477	1.321	

a. Predictors: (Constant), Number Of Brands

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error		Beta	t	Sig.
1	(Constant)	1.338	.385		3.475	.001
	Number Of Brands	.875	.155	.702	5.660	.000

a. Dependent Variable: Total Sales

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.931	1	55.931	32.038	.000 <sup>a</sup>
	Residual	57.612	33	1.746		
	Total	113.543	34			

a. Predictors: (Constant), Number Of Brands  
b. Dependent Variable: Total Sales

NAMAN SHARMA - B.I.M.M.PUNE  
**REGRESSION EQN = 1.338 + (0.875)\*Number of Brands**

# DEALER ANALYSIS USING SPSS

Q2 Is the number of brands he is keeping is affecting the sales of Apollo tyres?

- $H_0$  : Sales of Apollo tyres is independent of the number of brands the dealer is keeping.
- $H_A$  :  $H_0$  is false

Correlations		
	Apollo Sales	Number Of Brands
Apollo Sales	Pearson Correlation	.207
	Sig. (2-tailed)	.232
	N	35
Number Of Brands	Pearson Correlation	.207
	Sig. (2-tailed)	.232
	N	35

Apollo sales and number of brands have a weak correlations at 0.207 and is insignificant at 0.232 hence we accept  $H_0$

# DEALER ANALYSIS USING SPSS

Q3 Is being exclusive Apollo dealer affecting the sales of Apollo tyres?

- $H_0$  : Sales of Apollo tyres is independent of being an Exclusive dealer .
- $H_A$  :  $H_0$  is false

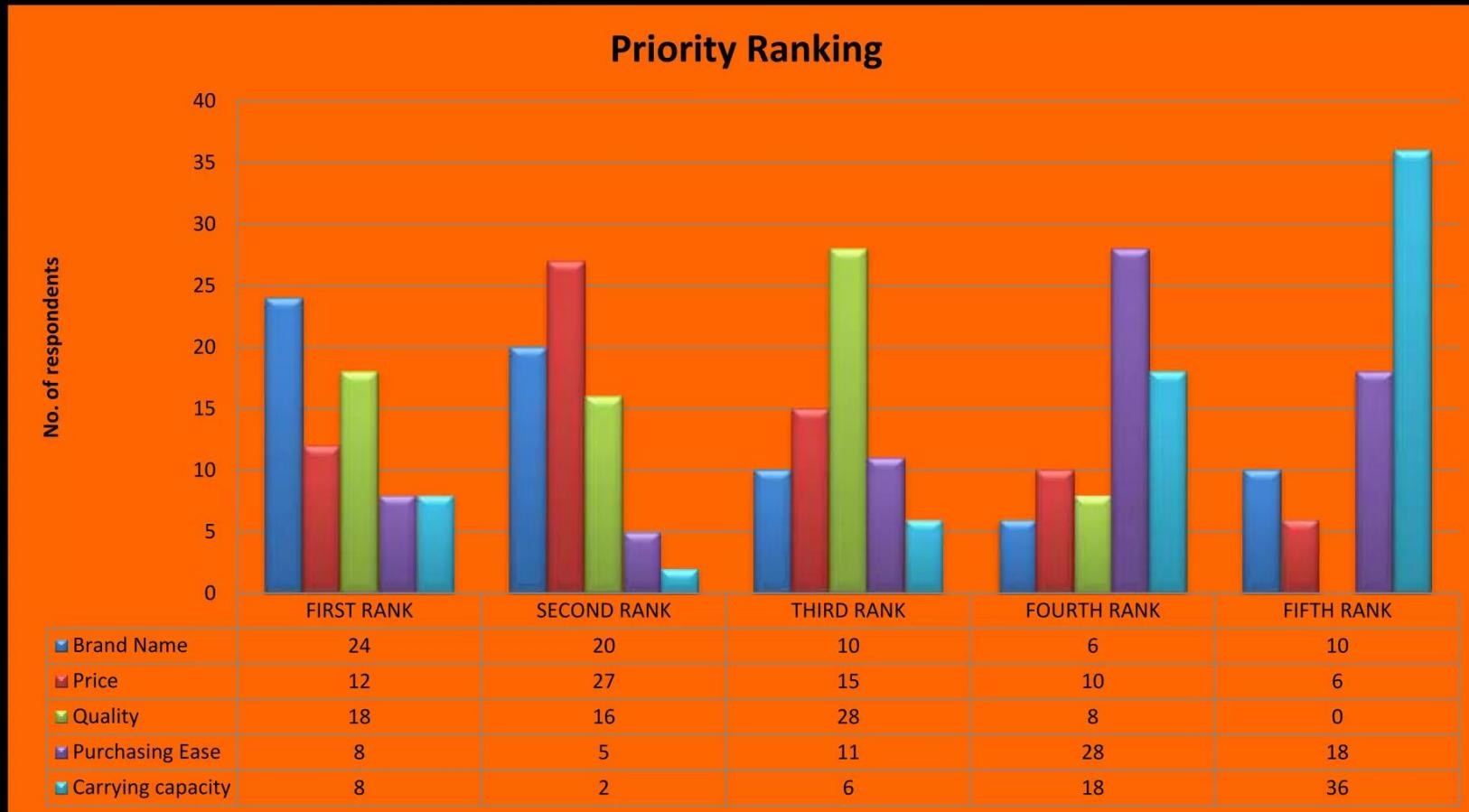
ANOVA					
Apollo Sales					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.752	1	2.752	1.171	.287
Within Groups	77.533	33	2.349		
Total	80.286	34			

F value is 1.171 and is insignificant at 0.287 hence accept  $H_0$

5<sup>TH</sup> JUNE 2014

NAMAN SHARMA - B.I.M.M PUNE

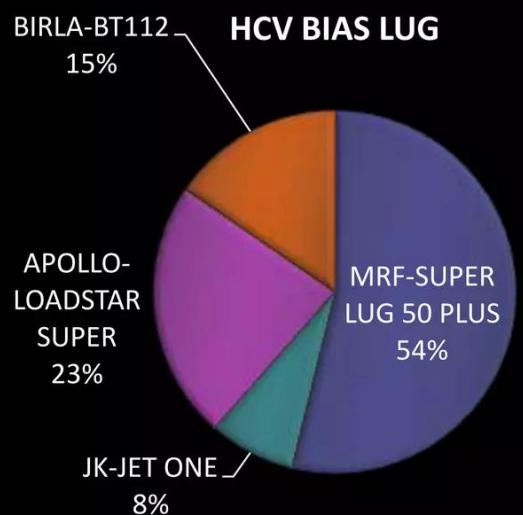
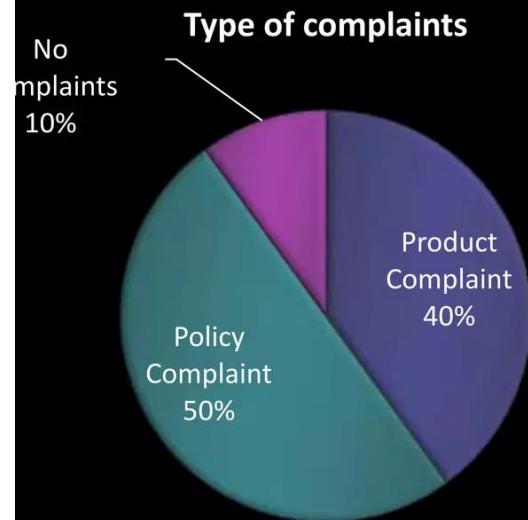
# CUSTOMER ANALYSIS



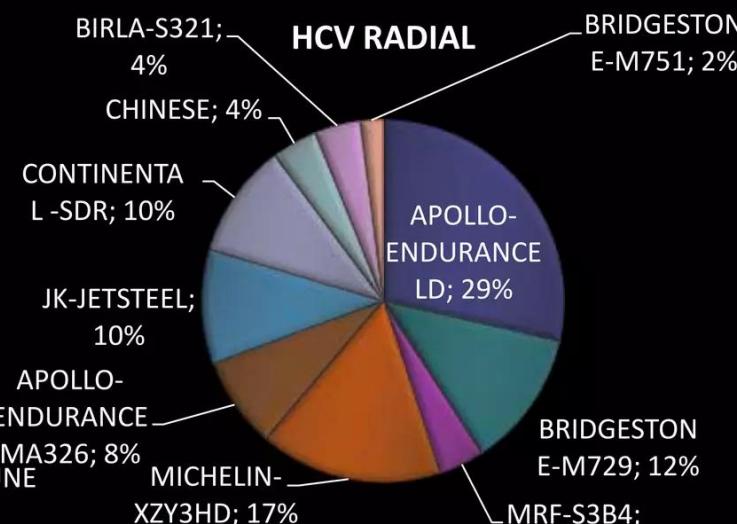
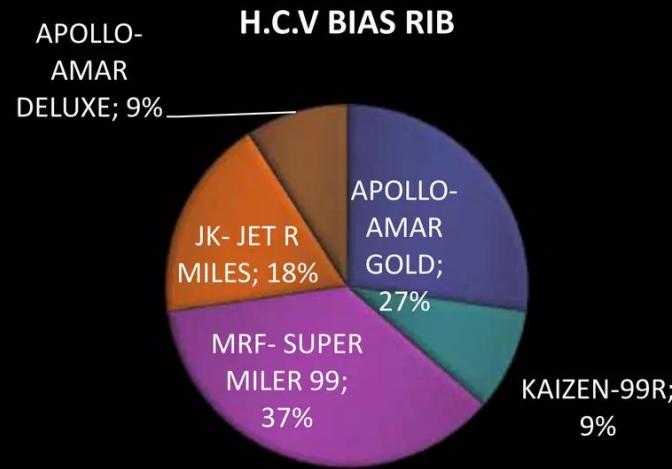
NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS

## H.C.V



NAMAN SHARMA - B.I.M.M PUNE



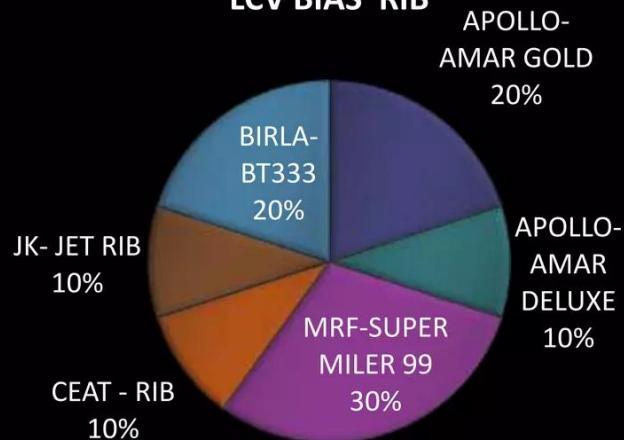
# CUSTOMER ANALYSIS

## L.C.V

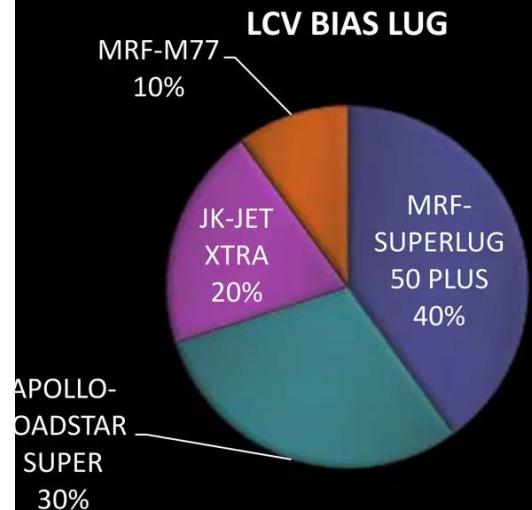
TYPE OF COMPLAINT



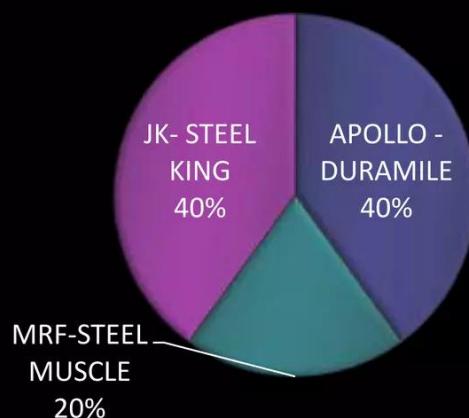
LCV BIAS RIB



LCV BIAS LUG



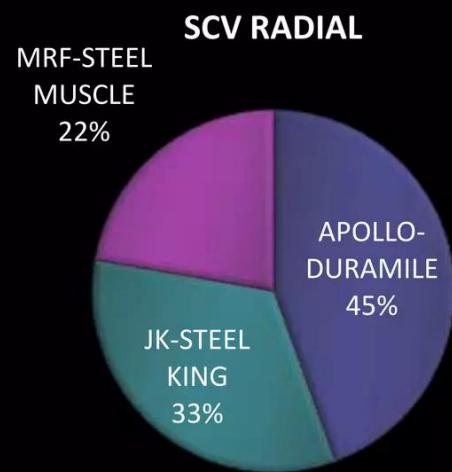
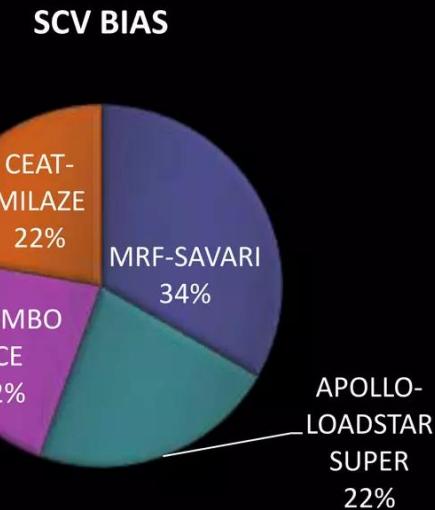
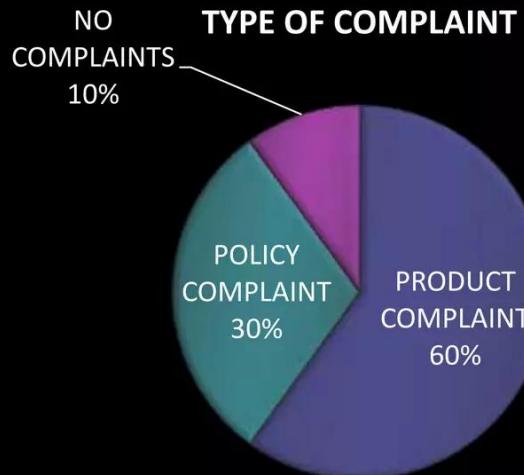
LCV RADIAL



NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS

## S.C.V



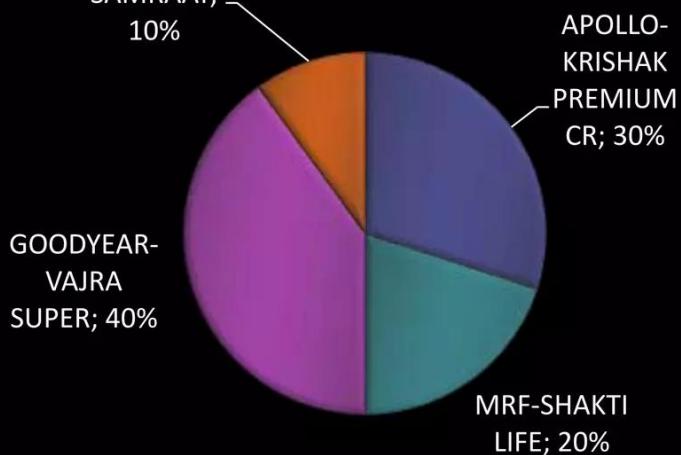
NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS O.T.R (FARM)

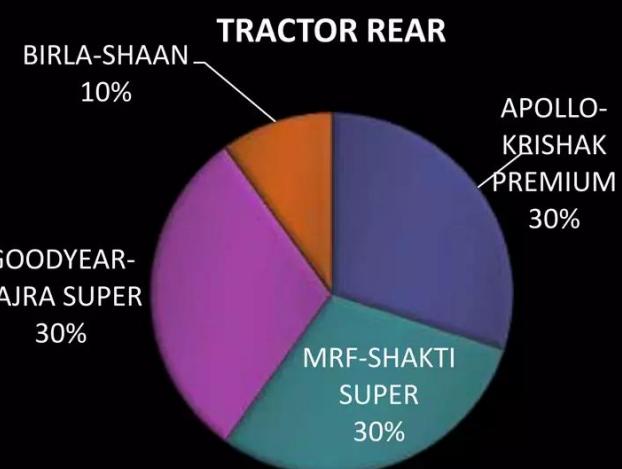
TYPE OF COMPLAINT



TRACTOR FRONT



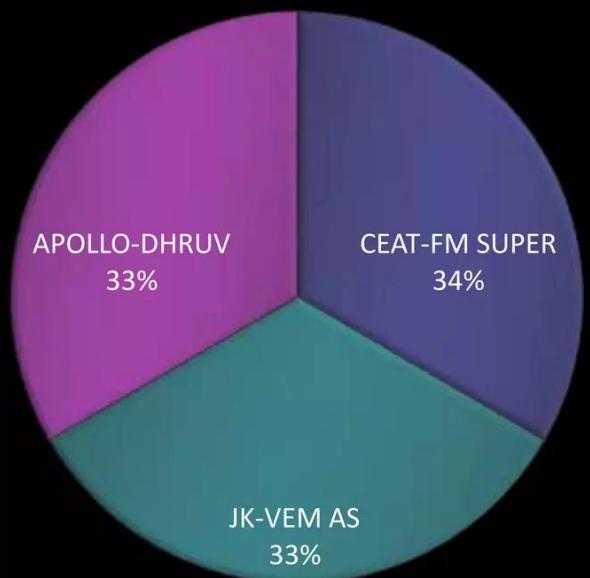
TRACTOR REAR



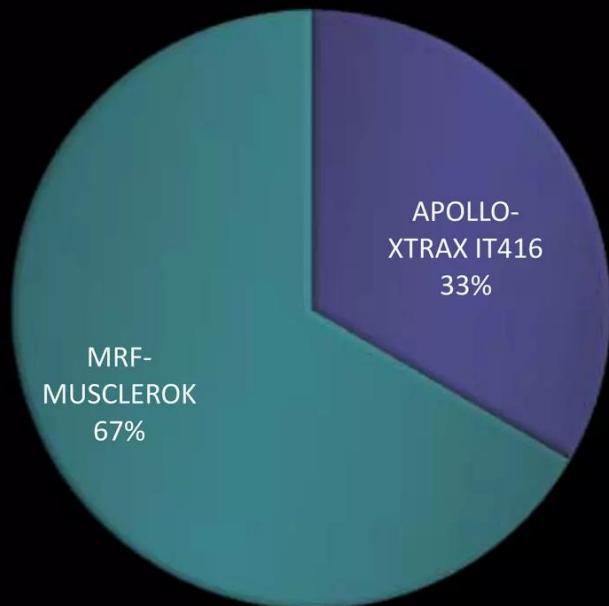
NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS O.T.R (INDUSTRIAL VEHICLE)

INDUSTRIAL VEHICLE FRONT



INDUSTRIAL VEHICLE REAR



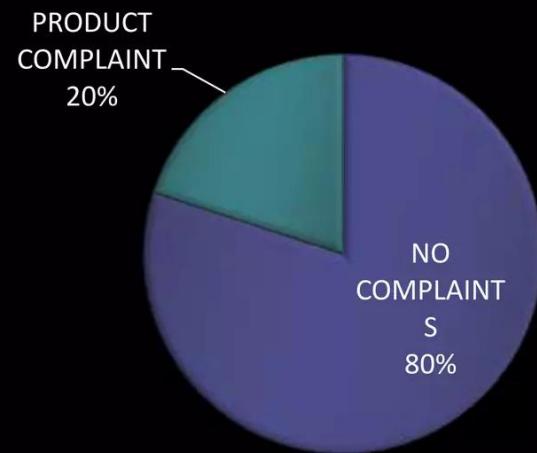
NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS PASSENGER CAR

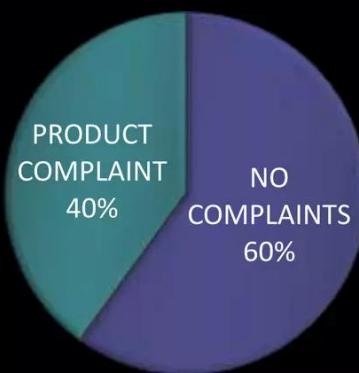
TYPE OF COMPLAINTS (FOR A2)



TYPE OF COMPLAINTS (FOR A3)



TYPE OF COMPLAINTS (FOR B2)



TYPE OF COMPLAINTS (FOR B3)

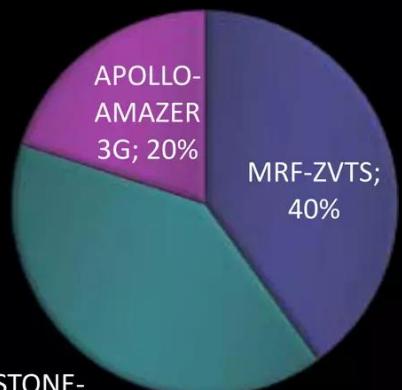


NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS PASSENGER CAR

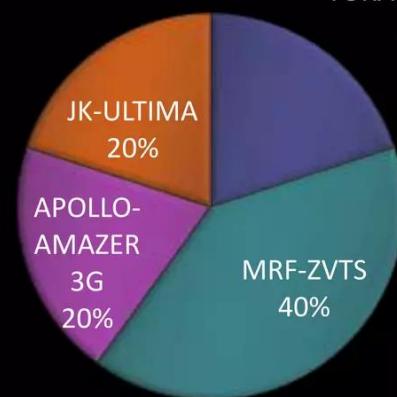
SEGMENT A2

BRIDGESTONE-B290; 40%



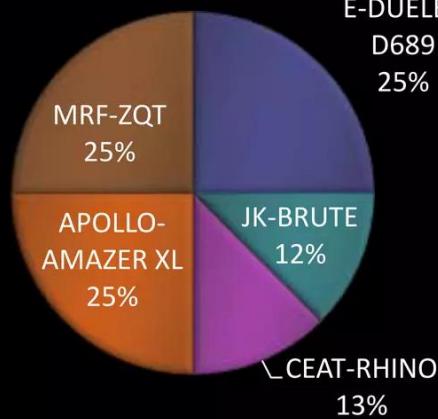
SEGMENT A3

BRIDGESTONE-TURANZA ER 60  
20%



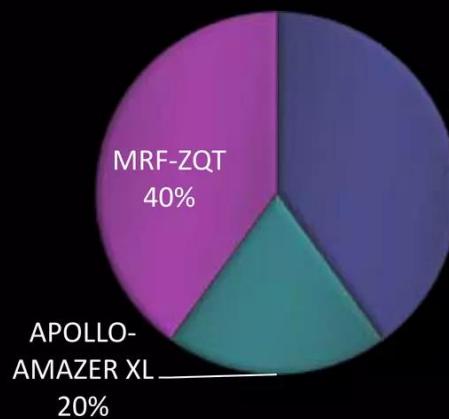
SEGMENT B2

BRIDGESTON  
E-DUELER  
D689  
25%



SEGMENT B3

BRIDGESTONE  
-DUELER D689  
40%



NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS USING SPSS

Q1 Does the amount of kilometres run during a month has any correlation with payload?

- $H_0$  : Amount of kilometres run during a month is independent of payload
- $H_A$  :  $H_0$  is false

Correlations			
		kilometres	payload
kilometres	Pearson Correlation	1	.588**
	Sig. (2-tailed)		.006
	N	20	20
payload	Pearson Correlation	.588**	1
	Sig. (2-tailed)	.006	
	N	20	20

\*\*. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between the kilometres travelled and payload carried and is significant at 0.006. Therefore we reject  $H_0$

# CUSTOMER ANALYSIS USING SPSS

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 <sup>a</sup>	.346	.310	1463.984

a. Predictors: (Constant), payload

# CUSTOMER ANALYSIS USING SPSS

Coefficients <sup>a</sup>						ANOVA <sup>b</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Sum of Squares	df	Mean Square	F	Sig.
	B	Std. Error									
1	(Const ant)	5704.7	667.388	8.548	.000	Regression	2.042E7	1	2.042E7	9.528	.006 <sup>a</sup>
	payload	60	51.440	16.664	.588	Residual	3.858E7	18	214325	0.379	
						Total	5.900E7	19			

a. Dependent Variable: kilometers

b. Dependent Variable: kilometres

Regression analysis is significant at 0.006 and no model is excluded.

R square value is closer to zero.

$$\text{REGRESSION EQN} = 5704.760 + (51.440) * \text{Payload}$$

# CUSTOMER ANALYSIS USING SPSS

Q2 Does the payload has any correlation with the time after which tyres are being changed?

- $H_0$  : Time after which tyres are being changed is independent of payload
- $H_A$  :  $H_0$  is false

		Correlations	
		payload	time
payload	Pearson Correlation	1	.641**
	Sig. (2-tailed)		.002
	N	20	20
time	Pearson Correlation	.641**	1
	Sig. (2-tailed)	.002	
	N	20	20

\*\*. Correlation is significant at the 0.01 level (2-tailed).

From the table of correlation it can be analysed that payload and time have a very strong correlation at 0.641 and is significant at 0.002. Therefore we reject  $H_0$ .

# CUSTOMER ANALYSIS USING SPSS

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641 <sup>a</sup>	.411	.378	1.959

a. Predictors: (Constant), payload

# CUSTOMER ANALYSIS USING SPSS

Coefficients <sup>a</sup>						ANOVA <sup>b</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Sum of Squares	df	Mean Square	F	Sig.
	B	Std. Error									
1	(Const ant)	9.556	.893	10.70	.000	1	Regression	48.118	1	48.118	12.53
	payload	.079	.022	-.641	0	Residual	69.082	18	3.838	8	.002 <sup>a</sup>
						Total	117.200	19			

a. Predictors: (Constant), payload  
b. Dependent Variable: time

a. Dependent Variable: time

**REGRESSION EQUATION = 9.556+ (0.79)\*payload**

NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS USING SPSS

- Q3 Does the amount of kilometres run effect the time after which tyre has been changed?
- H<sub>0</sub> : Time after tyre has been changed is independent of amount of kilometres run
- H<sub>A</sub> : H<sub>0</sub> is false

Correlations			
		time	kilometres
time	Pearson Correlation	1	.842**
	Sig. (2-tailed)		.000
	N	20	20
kilometres	Pearson Correlation	.842**	1
	Sig. (2-tailed)	.000	
	N	20	20

\*\*. Correlation is significant at the 0.01 level (2-tailed).

There is strong correlation between Time after which tyres are changed and kilometres travelled at 0.842 and is significant at 0.000. Therefore we reject H<sub>0</sub>

NAMAN SHARMA - B.I.M.M PUNE

# CUSTOMER ANALYSIS USING SPSS

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842 <sup>a</sup>	.709	.692	1.377

a. Predictors: (Constant), kilometers

# CUSTOMER ANALYSIS USING SPSS

ANOVA <sup>b</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.051	1	83.051	43.77
	Residual				.000 <sup>a</sup>
	Total	34.149	18	1.897	
		19			

a. Predictors: (Constant), kilometers

b. Dependent Variable: time

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1	(Constant)	15.698	1.380	11.37	.000
	kilometres	-.001	.000	-.842	.000

a. Dependent Variable: time

$$\text{REGRESSION EQUATION} = 15.698 + (-.001) * \text{kilometres}$$

# CUSTOMER ANALYSIS USING SPSS

Q4 Does number of complaints have effect on the company preference of APOLLO?

- $H_0$  : Company preference of Apollo is independent of number of complaints
- $H_A$  :  $H_0$  is false

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.579 <sup>a</sup>	1	.209		
Continuity Correction <sup>b</sup>	.044	1	.834		
Likelihood Ratio	1.912	1	.167		
Fisher's Exact Test				.400	.400
Linear-by-Linear Association	1.500	1	.221		
N of Valid Cases	20				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .40.

b. Computed only for a 2x2 table

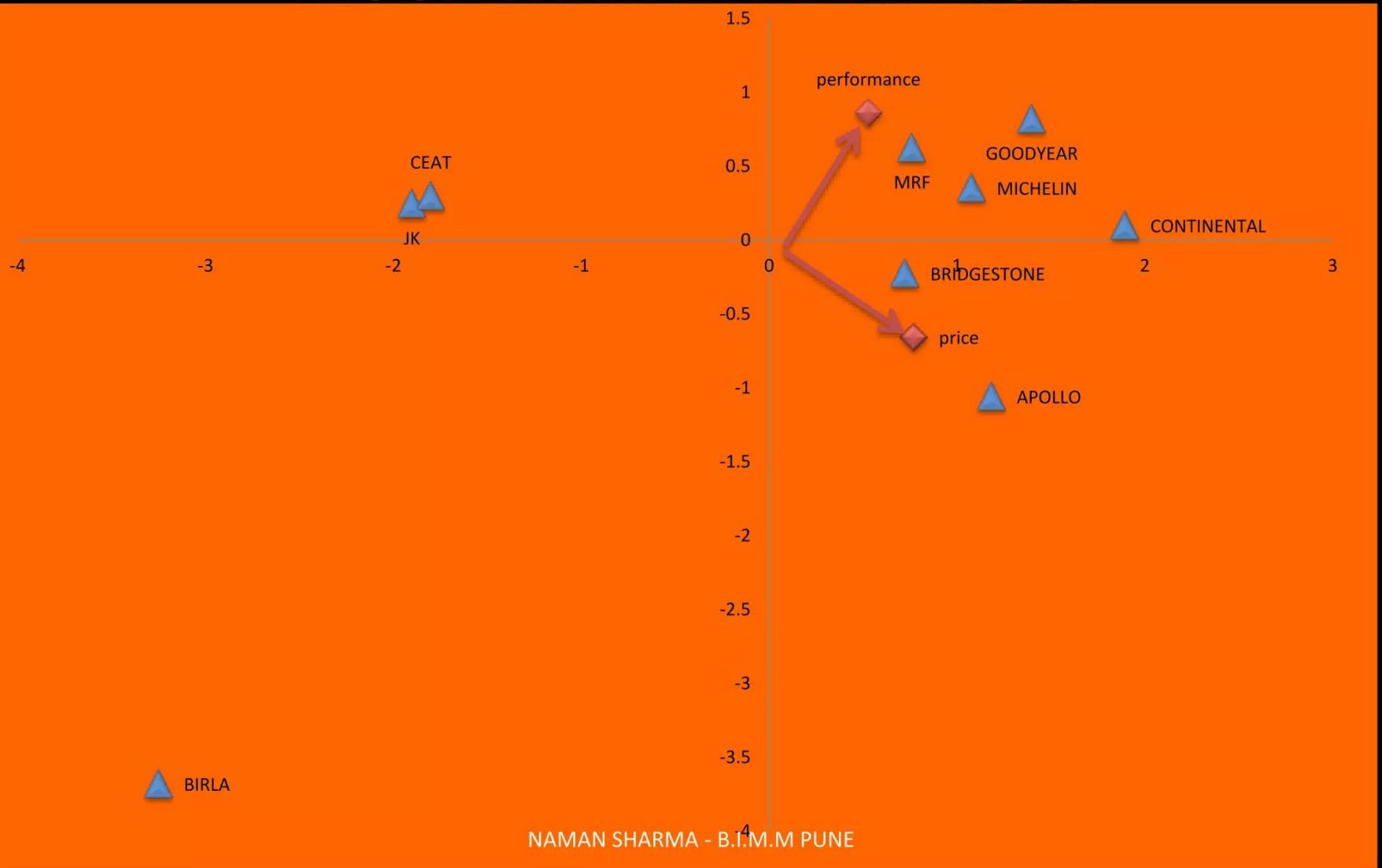
# CUSTOMER ANALYSIS USING SPSS

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.281	.209
	Cramer's V	.281	.209
	Contingency Coefficient	.271	.209
N of Valid Cases		20	

From the above value of Chi square test where significance > 0.05 hence it is insignificant

Hence we reject  $H_0$

# PERCEPTUAL MAP USING DISCRIMINANT ANALYSIS



NAMAN SHARMA - B.I.M.M PUNE

# **COMPANY'S POLICY AND PROMOTIONAL SCHEME**

NAMAN SHARMA - B.I.M.M PUNE

COMPANY POLICY	APOLLO	MRF	JK	CEAT	BIRLA	GOODYEAR	MICHELIN	BRIDGESTONE	CONTINENTAL
INTEREST ON DEPOSIT (YEARLY)									
MINIMUM ROTATION REQUIRED PER MONTH ON WHICH INCENTIVES ARE ALLOWED									
MINIMUM ROTATION REQUIRED PER QUATER ON WHICH INCENTIVES ARE ALLOWED									
MAXIMUM ROTATION ALLOWED PER MONTH									
MAXIMUM ROTATION ALLOWED/QUARTER									
CREDIT PERIOD (MINIMUM)									
CREDIT PERIOD (MAXIMUM)									
ROTATION SURPRISE/INCENTIVE									
TOD/QTD									
PPD									
TD									
COLLECTION DISCOUNT									
ANNUAL INCENTIVE									
OTHER SPECIAL DISCOUNTS/OFFERS									

NAMAN SHARMA - B.I.M.M PUNE

COMPANY POLICY	APOLO	MRF	JK	CEAT	BIRLA	GOODYEAR	MICHELIN	BRDIGESTONE	CONTINENT AL
CUSTOMER SCHEMES									
HCV BIAS segment									
HCV RADIAL segment									
LCV BIAS segment									
LCV RADIAL segment									
SCV BIAS segment									
SCV RADIAL segment									
FARM segment									
PCR segment									

NAMAN SHARMA - B.I.M.M PUNE

# **COMPANY'S POLICY AND PROMOTIONAL SCHEME**

- Highest discount/interest giver – JK tyres
- Highest incentive giver (Both to dealer and Customer) – Michelin
- Most lenient policy structure – Continental
- Most effective Policy structure – MRF
- Lowest discount/interest giver - MRF

# CONCLUSIONS

Factors which are affecting growth of company in rural and semi urban market are:-

- High number of dealers are unsatisfied from Apollo (for reasons please refer to dealer survey section)
- Decreasing customer satisfaction and their increasing switching rate (for reasons please refer to customer survey section)
- Bad company policies regarding products
- Extremely high costs than competitors
- Less promotional schemes and marketing

# CONCLUSIONS PRODUCT

		MARKET SHARE	
		LOW	HIGH
<u>LIFE TIME</u>	<u>NEW</u>	ASPIRE 4G AMAZER 4G SPOTRACS ULTRAC CEUTO ULTRAC SESSANTA XT-9 XT-9 PLUS XT-9 GOLD ENDURANCE RA ENDURACE RD POWERHAUL	ALNAC 4G APTERRA MILESTAR LOADSTAR SUPER LOADSTAR SUPER GOLD KRISHAK SUPER XT-100K XMR
	<u>OLD</u>	ASPIRE ACLERE MAXX AMAZER 3G MAXX QUANTUM AMAR AMAR AT RIB CARGO TUF CARGO SL XT-7 HAULUG RANCER LUG MILLER ENDURANCE MD ENDURANCE CD FARM KING NAMAN SHARMA - B.I.M.M PUNE XTRAX RC317 XTRAX E3	AMAZER 3G AMAZER XL ACELERE AMAR DLX AMAR GOLD CARGO MILLER CHAMPION GOLD XT-7 XT-7 GOLD DURAMILE ENDURANCE LD ENDURANCE MA 326 KRISHAK PREMIUM KRISHAK GOLD XTRAX IT 426 DHARUV

# CONCLUSIONS PRODUCT

		<u>GROWTH RATE</u>	
		<u>LOW</u>	<u>HIGH</u>
<u>LIFE TIME</u>	<u>NEW</u>	ASPIRE 4G XT-9 XT-9 PLUS ENDURACE RD	AMAZER 4G SPORTRACS ULTRAC CEUTO ULTRAC SESSANTA XT-9 GOLD ENDURANCE RA POWERHAUL

NAMAN SHARMA - B.I.M.M PUNE

# RECOMMENDATIONS

To increase market share in rural and semi urban areas following steps are recommended

## For Dealers

- Do not increase the number of dealers , focus on current dealers and try growing them as this will not only reduce interdealer rivalry but also increase dealer's revenue which will turn them in company's favour
- Make 1 country 1 price policy so that the price difference in various zones is abolished.
- Make better RAS and rotation policy and inform the dealer about policies in advance.
- Make tyre availability at company's district office easy and on time specially during high demand season of summer.

## For Customers

- Make claim passing as easy as possible and give claims on other than manufacturing defects also
- Make tyre replacement possible at every district office and the customer should not be asked to go back to the District office from where he purchased tyres.
- Give additional benefits to Apollo Brand Loyal bulk buyers

## For Products

- Discontinue loss making products listed under slow growth and low market share segment
- Increase tyre NSD for farm tyres
- Focus largely on product having high market share.

## For Market

- Apollo is market leader in HCV ,LCV and SCV Radial protect that.
- Apollo is market follower in HCV , LCV and SCV Bias increase that
- Focus on Passenger car and Farm segment as growth rate is higher

# KEY LEARNINGS

- Knowhow of tyre as an industry and Apollo as a company
- Conducting a methodological research and finding conclusions
- Dealer and customer interaction ways and there issues.
- Insight into Rural Market.