

TO STUDY THE MARKET PENETRATION OF MAHINDRA & MAHINDRA (AUTOMOBILE) IN PUNE MARKET

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Abstract

With the extreme technological advancements, at all ways of 21st century development, Our research deals in identifying the crucial factors, which plays specific roles in the evolution of commercial vehicle with regards to market demand, as nowadays, automobile sector is bringing advancements towards the very own product portfolio, and somewhere down the line, we believe that they are making it delayed towards the upgradation of commercial vehicle, as electric vehicles came into the picture, towards the small cars, two wheelers, but electric evolution has been rarely observe towards the commercial vehicles, hence, in reference to our research we've tried to identify the market demand, towards commercial automobile technological advancements, in India and specifically in Pune Market. We've worked upon the Pune Segment as the city covers both its peak technological evolution in frame with the emerging new industries, and also serves a beautiful tourist destination, hence, we thought to work over it in order to gather the relevant data, for our insightful analysis, and interpretation.

Keywords: Market Penetration, Automobile, Technology.

Introduction

To study the market penetration of Mahindra & Mahindra (Automobile) in Pune market

The inherent vehicle industry is experiencing a counterchallenge in satisfying consumers in today's

litigious mercantile system. To obtain the best results, automotive executives and policymakers must understand the elements that influence customer purchasing decisions. A financial success

Consumers have become more educated and demanding. Because there is so much information on

the things available. The result of a buyer's desire. The phenomenon of service-quality elements

and altruistic conduct in the workplace has resulted in vulnerability in Consumer purchasing habits.

The importance of service-quality characteristics has recently been recognised by vehicle companies. This research proposes a framework that sheds light on the relationships between the

selected constructs – service-quality variables, altruistic consumer buying behaviour, purchase intention, and usage enjoyment – in light of the growing illustriousness of the consumer buying behaviour.

Problem Statement

We live in the era of continuously changing technology where consumers are becoming more aware

than the marketers itself, although the marketers are trying to give their best in order to fulfil the

demands but continuously changing demands making it tough for the marketers to cater all the variables.

Same thing has recently come into the spotlight but this time it's regarding the automobile industry

when my team at Kantar (Pune) received a project to be work upon named Revolution, in which the synopsis deals around the new product development. the R&D team nowadays decides to give

parallel focus to common automotive vehicles and commercial vehicles but mostly towards commercial vehicles, as innovation in terms of making those vehicles electronically or CNG driven

remain untouched till now. Hence, the marketers need to require information regarding their clients.

So, that they can bring something to the market what their clients are expecting.

Objectives

- o To understand the consumer buying behavior regarding commercial vehicle.
- o To understand consumer perception regarding different brands of commercial vehicle
- o To understand customer loyalty towards a particular brand that manufactures commercial vehicle.
- o To understand the post purchase behavior of consumers after buying a commercial vehicle.

Research Questions

- o What impact do service-quality factors have on altruistic consumer purchasing?
- o What role do characteristics like service quality and altruistic consumer buying behaviour play in determining buyer vulnerability?
- o What does buyer vulnerability mean in terms of purchase intent and usage gratification?

Literature review

Market Size

Having grown at a compound annual growth rate (CAGR) of 1.7 percent since 2015, the global

market for market research services peaked in value in 2020 at close to \$74.4 billion. According to predictions, the size of the global market for market research services would increase by 4.2 percent annually from \$74.4 billion in 2020 to \$91.3 billion in 2025. The market for market research services is then anticipated to increase at a CAGR of 4.0 percent from 2025 to reach \$111.3 billion in 2030.

Increased spending in research and development (R&D), political opinion surveys, robust economic growth in emerging nations, more internet penetration, and greater awareness of the value of market research in end-use industries all contributed to growth over the historical period.

Future growth will be fueled by a greater emphasis on customer happiness, the outsourcing of backend tasks to low-cost nations, demand for opinion surveys, and an increase in data-driven firms.

Future market research services market growth may be hampered by factors including fierce rivalry, big data analytics, and the COVID-19 pandemic.

Company Turnover	(USD bn)
Nielsen	6.5
IQVIA	5.5
Kantar	3.4
Gartner	3.1
Ipsos	2.1
GfK	1.6
IRI	1.2

Growth / De - growth

From 46.09 billion dollars in 2014 to roughly 71.9 billion in 2020, the global market research sector attained another apex. The worldwide market research sector has historically performed poorly and has done so during the past ten years. Additionally, estimates for 2021 indicate a rise in sales of roughly 4.5 billion US dollars.

The market research sector

Market research is the process of learning more about the marketplaces where a company sells its goods and/or services. This frequently involves in-depth qualitative analyses of consumer attitudes and preferences using instruments like surveys, interviews, and increasingly big data analytics. Nielsen Holdings, based in the United States, is the biggest market research firm in the world.

Causes of decline

While North American growth has been steady, the European market has experienced major declines since 2014. For two reasons, some analysts anticipate that this subpar performance will last for some time. First, Brexit's short- and medium-term uncertainty affects the validity of any market research done before the problem is resolved. The second is the May 2018 introduction of the EU General Data Protection Regulation (GDPR) legislation, which place

restrictions on the use of personal data by businesses. The majority of IT specialists in France, Germany, and the U.K. concur that the GDPR legislation will limit the amount of personal data that can be shared with third parties, making it less available to researchers in Europe than in other continents.

Business Results

The analytical solution allowed the company to gain a lot of knowledge on how to go to the stockyard and which mode of transportation (train, trailer, own power) to utilise.

Up to 15 state taxes and tariffs would be replaced by a single tax under the GST system, greatly enhancing business accessibility and fostering the development of a global market. Additionally,

mapping the demand and supply clusters can benefit from data and analytics. An perfect network

with the right number, size, and placement of warehouses may be put up, which will have a significant influence.

Segment, Target & Positioning

The needs, wants, and demands of consumers in the auto & truck manufacturers industry vary, as

do their resources, locations, access to technology, cultural preferences, purchasing behaviours, and the final uses of the goods and services. Market segmentation refers to the method by which Mahindra & Mahindra chooses to divide the total market into smaller segments and groups that have comparable characteristics, purchasing patterns, socioeconomic backgrounds, etc. To more

efficiently and successfully connect with the consumer group, this is done.

The following are some of the most common methods of consumer and market segmentation that

Mahindra & Mahindra currently using:

Geographical segmentation

The term "geographical segmentation" refers to the process of breaking down the overall market

into different geographic units, such as states, countries, trading blocks, cities, and neighbourhoods. Because the potential clients have diverse cultures, preferences, and administrative systems, geographic segmentation is quite effective for Mahindra & Mahindra in

the foreign markets. Second, it is wise to undertake regional segmentation if the cost of transportation is a crucial cost in the delivery of the value proposition because the costs of providing clients in various places would vary greatly.

Demographic Segmentation

Based on factors such as gender, income, occupation, age, life cycle stage, ethnicity, religion, and

generation, demographic segmentation divides the mass market into smaller segments and groupings. Mahindra & Mahindra's products offer a superior value proposition, thus it should

divide the market based on two key demographic factors: potential consumer income and life cycle stage. PRIZM is one of the frameworks for demographic segmentation that is most frequently utilised in the United States by different marketers.

The geo-demographic segmentation system known as PRIZM combines geographic information

with a variety of demographic, consumer behaviour, and other data to assist marketers in locating, comprehending, and connecting with their target audiences. Every American family, compiled by zip code, is divided into 66 demographically and behaviourally diverse parts by PRIZM.

Psychographic Presentation

Lifestyle-focused interests, pursuits, and viewpoints are classified as psychographic factors in the

marketing industry. Mahindra & Mahindra can employ psychographic segmentation to separate

the prospective customers into various segments based on personality traits, purchasing patterns,

consumption opinions, viewpoint on social issues, leisure activities, hobbies, and a variety of other factors. Psychographic segmentations are useful because people within the same demographic can differ psychographically depending on their particular life experiences and upbringing.

One of the most popular frameworks for consumer behaviour used in consumer psychographic analysis is -

Innovators, Thinkers, Achievers, Experiencers, Believers, Strivers, Makers, and Survivors are the

eight distinct subgroups that make up the commonly used segmentation approach known as VALS.

The marketing team at Mahindra & Mahindra shouldn't limit itself to a single segmentation technique. In order to more accurately describe and identify the target groups and segments, it is important to aim to incorporate a number of features.

Mahindra & Mahindra used a set of selection criteria to target a certain market after identifying distinct consumer segments in the market. Ten crucial elements determine the choice of target market:

- **Product Life Cycle Stage:** In the global context, where the product life cycle is at various stages due to social, economic, regulatory, and political factors, this is extremely relevant.

Mahindra & Mahindra must determine where the target market is in the product life cycle.

- **Financial resources to target a particular segment:** Does the company have the marketing expertise, operational know-how, and funding necessary to focus on a particular consumer demographic?

- **Regulatory and other entrance barriers** - Will Mahindra & Mahindra encounter any technological or regulatory obstacles if it chooses to enter the market?

- **The level of competition in the target segment** - How competitive is the target segment?

There is less chance of long-term sustainable margins when there is intense competition.

- **The availability of sufficient infrastructure to target a certain client segment.** - The

presence of the right partners to successfully sell to the target market. For instance, everyone is

aware that there is a part of the auto industry that is environmentally sensitive and willing to pay

a premium for electric vehicles, but none of the major auto manufacturers were able to successfully target that segment due to the lack of a collaborative ecosystem. Tesla created that ecosystem and became successful.

- **The market's potential for financial gain** - Mahindra & Mahindra must determine whether the

category it intends to target can be profitable.

- **The segment's structural allure** - The presence of the essential infrastructure needed to successfully sell to the intended audience.

- **Organizational and technological** capacities in the auto and truck manufacturers sector to target

a particular market category.

- **The organization's comparative** advantages and disadvantages in successfully marketing to the

target market.

Targeting is consistent with the vision, mission, ethos, values, and strategic fit of Mahindra & Mahindra. - Organization's mission, vision, and the customer segment fit.

Positioning

The following elements could influence Mahindra & Mahindra's decision on their positioning:

- **The ability of the competition to copy and repeat** - If the rivals can copy and replicate the

goods and services with ease, Mahindra & Mahindra would have a hard time defending its status in the

market.

- **The company's marketing resources** - Does the company have enough marketing expertise and

financial resources to place the product in the intended market segment?

Margin in the Auto & Truck Manufacturers sector - Mahindra & Mahindra should steer clear of

positioning the goods for features if the positioning strategy is directed at a market segment that

cannot provide the appropriate financial returns over the long term.

Mahindra & Mahindra's corporate image - Positioning of new products should be consistent with

the company's key competencies and brand image. Mahindra & Mahindra should price its products a little bit higher than the going rate since it competes in the Auto & Truck Manufacturers sector as the best value for the money player.

- **Consumer ecosystem:** Customers won't accept a product or service if its positioning is inconsistent with the consumer environment.

- **Customer relevance of positioning** - Does the positioning matter to the customers? For instance,

Blackberry attempted to promote itself as a premium corporate security solution. Because most customers weren't using their phones for business, they didn't buy into that positioning.

Current product portfolio: Mahindra & Mahindra must determine whether the new product will add to the existing product line or fill an existing gap in the product mix.

- **Marketing Resources with Rivals** - Mahindra & Mahindra will face fierce rivalry if its rivals have significant financial resources to devote to marketing.

- **Mahindra & Mahindra's strategic fit** - Because Mahindra & Mahindra already offers a wide

range of goods and services, the company's future offerings must be compatible with its existing

value chain delivery strategy.

Research Design

The research design follows causal research, as it is carried out to determine the scope and type of

cause-and-effect interactions. It is possible to do causal study to evaluate how particular changes

would affect prevailing norms, various processes, etc. In order to understand the patterns of

interactions between variables, causal investigations concentrate on an analysis of a given

circumstance or issue. The most common primary data collection techniques used in studies with

causal study design are experiments.

Now here in this case we're trying to identify the association between consumer buying

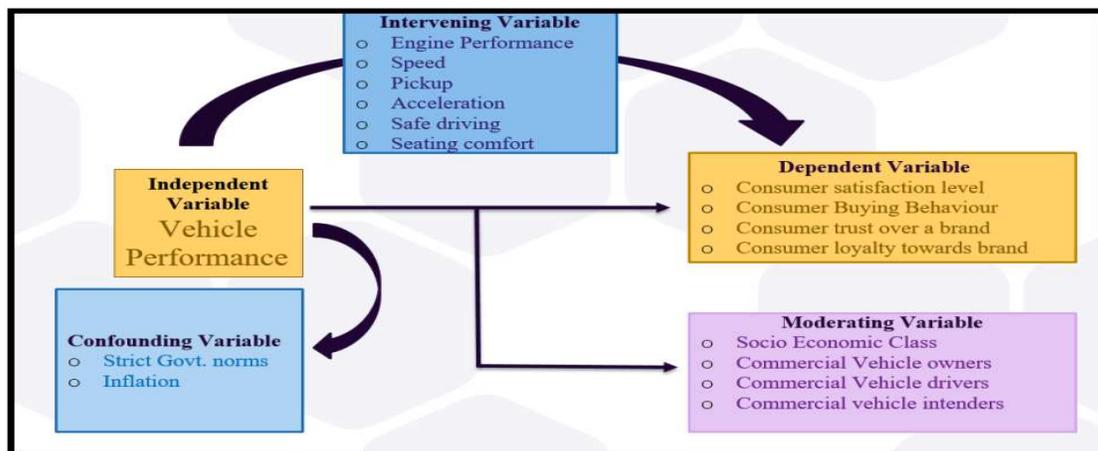
behaviour and vehicle performance, towards commercial vehicles. As here also we're trying to

understand the patterns of interaction between variables which together are playing the unibehavior behaviour in our study.

Sample size – 100

Type of sampling – Simple Random Sampling

Variable construct



Key target audience

- Driver
- Owner
- Owner intender
- Socioeconomic class

Hypothesis

H1 - There is an association between vehicle performance and consumer buying behaviour

H0 - There is no association between vehicle performance and consumer buying behaviour

Questionnaire Design

Market Potential of Ashok Leyland

This G-form is for the study & Research purpose of "Commercial Vehicle - " in India and thereby the collected data will be accumulated and added together for analysis and interpretation part. Your contribution is highly appreciated! :)

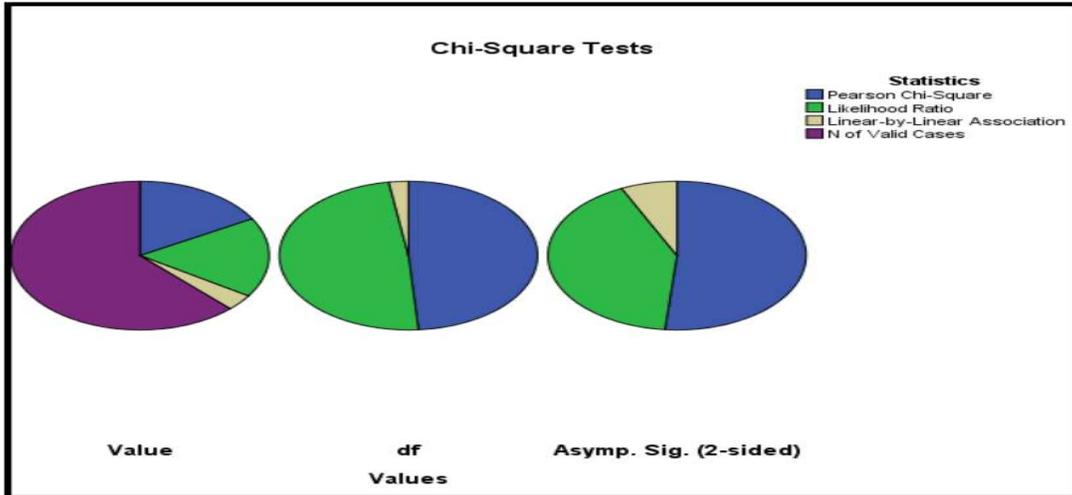
Analysis

Market Potential of Mahindra & Mahindra

Observation

switching ev in near future * spare parts availability								
Crosstab								
Count		spare parts availability						Total
		tata	mahindra	Ashok Leyland	bharat benz	eicher	volvo	
switching ev in near future	more likely	9	2	4	4	0	0	19
	likely	5	4	3	1	0	0	13
	can't say	6	4	10	3	0	3	26
	less likely	6	3	5	5	4	3	26
	no plans	4	6	4	3	0	3	20
Total		30	19	26	16	4	9	104

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.991 ^a	20	.110
Likelihood Ratio	28.975	20	.088
Linear-by-Linear Association	5.917	1	.015
N of Valid Cases	104		

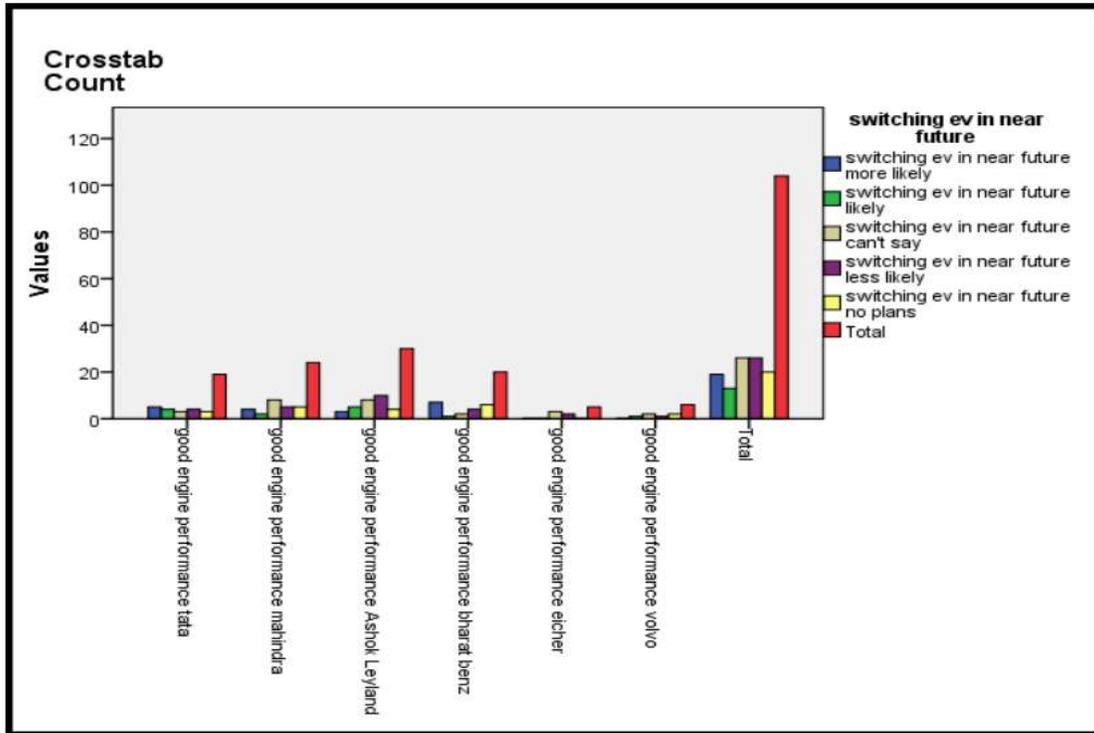


switching ev in near future * good engine performance

Crosstab

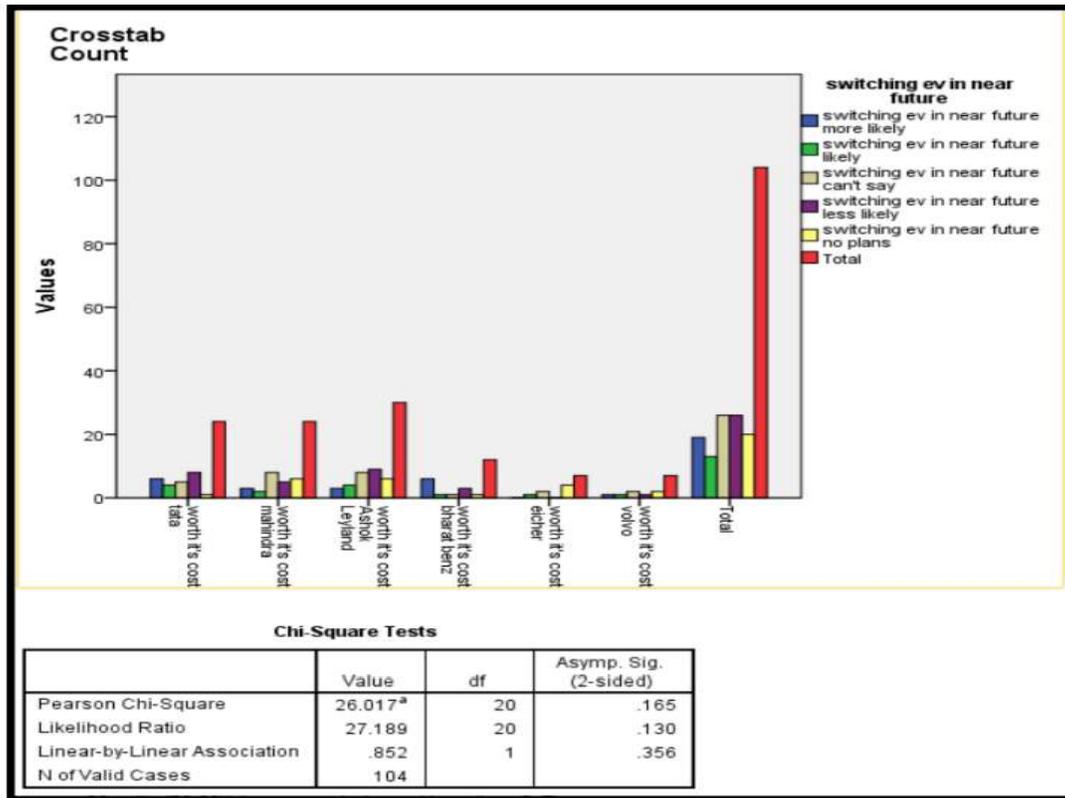
Count

		good engine performance						Total
		tata	mahindra	Ashok Leyland	bharat benz	eicher	volvo	
switching ev in near future	more likely	5	4	3	7	0	0	19
	likely	4	2	5	1	0	1	13
	can't say	3	8	8	2	3	2	26
	less likely	4	5	10	4	2	1	26
	no plans	3	5	4	6	0	2	20
Total		19	24	30	20	5	6	104



Final Result

switching ev in near future * worth it's cost								
Crosstab								
Count		worth it's cost						Total
		tata	mahindra	Ashok Leyland	bharat benz	eicher	volvo	
switching ev in near future	more likely	6	3	3	6	0	1	19
	likely	4	2	4	1	1	1	13
	can't say	5	8	8	1	2	2	26
	less likely	8	5	9	3	0	1	26
	no plans	1	6	6	1	4	2	20
Total		24	24	30	12	7	7	104



Findings

From the above analysis (switch ev into near future * worth it's cost) we can observe that in Asymp. Sig. value in Pearson chi – square is 0.165

That means it is more than the designated alpha level 0.05

Hence we need to reject null hypothesis and accept alternate hypothesis

Therefore, we can say that there is an association between Vehicle performance and consumer buying behaviour.

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