



The Customer Segment ,Selling Process of Harley – Davidson Bikes in Chennai

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KEYWORDS :

SYNOPSIS

The Project contains a detail study on Luxury Bike called Harley-Davidson A deep analysis is made in Coromandel Harley-Davidson. To find out their selling process and unique features of motor bikes. The study is made in Chennai. The objectives of the study is also framed to get a detail study on HD and it is as follows :To study the customer segment of Harley-Davidson, To evaluate the selling process of Harley-Davidson bikes in Chennai, To find out the market share of the Harley-Davidson ,To determine the unique feature of Harley-Davidson, To study the factors which influence to opt for Harley-Davidson (customer behaviour) and To take opinion and suggestion of customer towards Harley-Davidson After making an in depth study and Analysis on Coromandel Harley-Davidson about their Smart selling process and unique features of motor bike. The Project reveals about Smart selling process and unique features of Harley-Davidson motor bike. Preferred by the respondent which has made them to sustain in the world market with tremendous success since 1983 .This analysis is done with the help of Method of Data Collection ,That is Direct Questionnaire Method and also considering respondents survey to know the feedbacks about their Customer service. This study is based on purposive and convenience sampling method. The study is purely based on primary data and The study based only on Chennai.

1.1 INTRODUCTION

Most teenagers stepping into college dream about owning a motorcycle, as it gives them a new identity and also attracts the attention of their peers and wins the approval of the opposite sex. The bigger the bike and the more noise it makes, the better it is. The guys often score brownie points among their peers based on the speeds they touch on the straight roads, and are accorded a special status depending on the stunts they manage to pull on their two-wheelers.

A rich background of manufacturing high value, reasonably priced products; an uncompromising pursuit of the goals to attain quality along with customer satisfaction; the resulting affinity in working cultures - brought the world's largest manufacturer of motorbikes .

A **motorcycle** (also called a **motorbike**, **bike**, **moto** or **cycle**) is a two or three wheel motor vehicle. Motorcycle design varies greatly to suit a range of different purposes: long distance travel, navigating urban traffic, cruising, sport, racing and off-road riding.

Motor bikes are one of the most affordable forms of motorised transport and, for most of the world's population, they are the most familiar type of motor vehicle. About 200 million motor bikes, including mopeds, motor scooters, motorised bicycles, and other powered two and three-wheelers, are in use worldwide or about 33 motorcycles per 1000 people. By comparison, there are around 590 million cars in the world, or about 91 per 1000 people, with about one third (195 million) in service in Japan and the United States.

Most of the world's motor bikes, 58%, are in the developing countries of Southern and Eastern Asia, and the Asia Pacific, excluding Japan which is one of the world's major car users. As of 2002[update], India had an estimated 37 million motorcycles and mopeds was home to the largest number of motorised two wheelers in the world. China came a close second with 34 million motorcycles/mopeds in 2002. As the middle class in India, China, and other developing countries grows, they are repeating the transition from motorcycles to cars that took place in the US in the years after World War I, and in Europe following World War II, and the role of motorcycling is changing from a

transport necessity to a leisure activity, and the motorcycle is changing from a family's primary motor vehicle to a second or third vehicle.

1.2 FIRST MOTOR BIKE COMPANIES

In 1894, Hildebrand & Wolfmüller became the first series production motor bikes, and the first to be called a motorcycle (German: Motorrad). Excelsior Motor Company, originally a bicycle manufacturing company based in Coventry, England, began production of their first motorbikes model in 1896. The first production motorcycle in the US was the Orient-Aster, built by Charles Metz in 1898 at his factory in Waltham, Massachusetts.

In the early period of motorcycle history, many producers of bikes adapted their designs to accommodate the new internal combustion engine. As the engines became more powerful and designs outgrew the bikes origins, the number of motor bike producers increased. Many of the nineteenth century inventors who worked on early motor bikes often moved on to other inventions. Daimler and Roper, for example, both went on to develop automobiles.

At the turn of the century the first major mass-production firms were set up. In 1898, Triumph Motor bikes in England began producing motorbikes, and by 1903 it was producing over 500 bikes. Other British firms were Royal Enfield, Norton and Birmingham Small Arms Company who began motorbike production in 1899, 1902 and 1910, respectively. Indian began production in 1901 and Harley Davidson was established two years later. By the outbreak of the First World War, the largest motor bike manufacturer in the world was Indian, producing over 20,000 bikes per year.

INDUSTRY PROFILE

2.1 TWO WHEELER INDUSTRY-OVERVIEW

The motorcycle industry is mainly dominated by Japanese companies. In addition to the large capacity motorcycles, there is a large market in smaller capacity (less than 300 cc) motorcycles, mostly concentrated in Asian and African countries. An example is the 1958 Honda Super Cub, which went on to become the biggest selling vehicle of all time, with its 60 millionth unit produced in April 2008. Today, this area is dominated by mostly Indian companies with Hero Moto-Corp emerging as the world's largest manufacturer of two wheelers. Its Splendor model has sold more than 8.5 million to date. Other major producers are Bajaj and TVS Motors.

The Indian economy has been growing around for the past few years. This growth has enabled an overall change in the social status of the Indian population. Additionally, every year, many rural areas and Tier-III cities are progressing to a higher status, opening immense growth opportunities for the two-wheeler industry. The two-wheeler market has emerged as the most vibrant and transforming segment of the overall Indian automobile industry, witnessing an unprecedented growth. Rising rural demand and fuel efficiency are among the major factors boosting the growth in the market. Despite the economic slowdown, the Indian automobile industry has been performing consistently well, compared to other major markets of the world.

The Indian two-wheeler (2W) industry registered sales volumes of 13.7 million units in 2012-13, a growth of 2.9% over the previous year FY 2011-12. Other automobile segments like passenger car and commercial vehicle (M&HCV), shown the growth due to slowdown in overall economy. Market sentiments are negative due to high in-

flation, fuel prices and interest rates - the 2.9% growth recorded by the 2W industry which is less compare to last year growth of 14%. Scooter segment has shown 14.4% growth where Motorcycle has shown .1% growth only this year. Indian and foreign 2W companies are focusing more on export from India specially Asia Pacific (Vietnam, Thailand, Indonesia etc) & Africa countries where 2W market is having potential. Piaggio has launched its Vespa model and also plan for export from India. Mahindra need to revive its brand position and product value specially brand image in market. Increase in wages are important factor for this market and this year ACG does not see high increment in wages over last year. Other factor to increase sale would be replacement market which mainly consist of present 2W owners with an aspiration to upgrade.

In terms of market share, while Hero MotoCorp continues to remain the distant leader with a share of 42.9% in 2012-13, it saw its share erode by 221 basis points (bps) over the previous year. A large part of this market share set-back was caused by weakness in Hero MotoCorp's sales volumes in the 100cc segment, even as the OEM expanded its market share in some of the other segments like the relatively faster growing scooters segment and the 125cc segment of bikes, by virtue of new product launches. The other two leading Indian OEMs too, namely, Bajaj Auto and TVS Motor experienced decline in their respective share in the domestic 2W market in 2012-13. Honda, however, continued to demonstrate steady gains in market share across the board and strengthened its market share from 14.9% in 2011-12 to 18.9% in 2012-13. Over the next two years, a large number of new models are likely to be introduced by various 2W OEMs across segments.

COMPANY PROFILE

3.1 INTRODUCTION

"An average person's impression of a superbike is the Harley Davidson, and knowledge of superbikes is rather limited." Not all superbikes are suitable for riding on Indian roads. However, people often get carried away with the speed and the sound of the engine and neglect a host of other important factors. We can notice many youngsters choosing expensive superbikes and sports bikes only because they look stylish. But they don't know if they can actually handle the bike over long distances.

How does one pick the right bike? There is no way a person who is short and of average build can handle a heavy superbike like the Harley Davidson, and must opt for a lighter bike like the Bajaj Pulsar, so it will be comfortable and in total control. It is also important to take into consideration what the motorcycle will be used for - touring, short road trips or everyday commuting.

Buying a bike should be a worthwhile and affordable investment, and aspects like the engine displacement, power, fuel efficiency, and seat height and service parts availability are equally important considerations.

The highest value should be placed on safety and safety gear as these machines can touch speeds in excess of 200 km/hour and a small mistake can prove to be fatal.

The real fun in riding superbikes is not in how fast you go, but in how you savour every moment of saddle time, the G forces you experience, the throaty sound of the engine and the dancing-swinging-singing feeling while riding on the hill twisties.

The motorcycle market is divided into four segments: the motor scooter market, the off-road market, the road market with engine capacities of less than 500cc, and the road market with engine capacities of over 500cc.

The road market segment with engine capacities of over 500cc includes four sub-segments: sport, touring, dual and cruiser. Motorcycles in the sport sub-segment are built for, or inspired by racing. Those in the touring and dual sub-segments are designed for comfortable, long-distance travel and for both on-road and off-road riding. The cruiser sub-segment comprises heavy motorcycles with classic American design.

3.2 HARLEY DAVIDSON-OVER VIEW

Harley, is an American motorcycle manufacturer. Founded in Milwaukee, Wisconsin, during the first decade of the 20th century, it was one of two major American motorcycle manufacturers to survive the Great Depression. Harley-Davidson also survived a period of poor quality control and competition from Japanese manufacturers.

Since 1977, the only motorcycles sold to the public under the Harley-Davidson brand have been heavyweight motorcycles, with engine displacements greater than 700 cc, designed for cruising on highways. Harley-Davidson motorcycles, or "Harleys", are noted for the tradition of heavy customization that gave rise to the chopper style of motorcycle. Except for the modern VRSC model family, current Harley-Davidson motorcycles reflect the styles of classic Harley designs. Harley-Davidson's attempts to establish itself in the light motorcycle market have met little success and have largely been abandoned since the 1978 sale of its Italian Aermacchi subsidiary.

Harley-Davidson sustains a large brand community which keeps active through clubs, events, and a museum. Licensing of the Harley-Davidson brand and logo accounted for \$40 million (0.8%) of the company's net revenue in 2010.

4.OBJECTIVES

To study the customer segment of Harley-Davidson

To evaluate the selling process of Harley-Davidson bikes in Chennai

METHODOLOGY OF THE STUDY

5.1 NEED OF THE STUDY

Chennai has changed dramatically over the past few years. Rapid growth, which triggered migration from other parts of India and an influx of expat workers, exposed the traditionally conservative society to a swanky lifestyle, prodding rich families to spend on luxury shopping. Car and bike makers, luxury hotels and a host of brands like Louis Vuitton, Armani and Harley Davidson are rushing in to make hay in this sunshine of wealth and consumerism.

The city, home to over 4.6 million, is embracing this change with open arms. Earlier this year, iconic bike brand Harley-Davidson opened an outlet after it saw many people from the city buying from its Bangalore outlet.

Chennai is a new market for luxury and has growing potential since people are well-travelled and aware of international brands. Chennai has seen an influx of people not only from rest of India, but also from other countries. A lot of expats working in software firms and automobile companies are repeat customers.

"There are a lot of self-made men, entrepreneurs, and senior executives in the city who are buying our products. Many of them have worked with global companies and have developed a taste for biking over time," said Anoop Prakash, managing director of Harley-Davidson India. In Chennai, customers are known for their loyalty, but they insist on value for money. The customers here are mostly practical, not whimsical. They are getting bolder.

ANALYSIS AND INTERPRETATION

6.1 INTRODUCTION

Analysis and interpretation are central steps in the research process. The aim of the analysis is to organize, classify and summarize the collected data so that they can be better comprehended and interpreted to give answers to the questions that triggered the research. Interpretation is the search for the broader meaning of findings. Analysis is not fulfilled without interpretation; and interpretation cannot proceed without analysis. So, both are inter dependent.

In this chapter a detailed analysis of the collected data has been attempted as per the objectives stated earlier. Hypotheses were also tested based on the findings of the study, interpretations and conclusions were drawn. In this chapter the following statistical techniques for the analysis of the data gathered for the present study viz., Descriptive analysis and Inferential statistics etc.

Table 6.2.1 Frequency Distribution of Gender

Gender	Frequency	Percentage
Male	101	80.8
Female	24	19.2
Total	125	100.0

Interpretation

It is observed that out of 125 samples 80.8 % are male customers and 19.2% female customers for Harley -Davidson

Table 6.2.2 :Frequency Distribution of Age Group of Respondent

Age	Frequency	Percentage
20-30	42	33.6
30-40	65	52.0
40-50	18	14.4
Total	125	100.0

Interpretation

In the above chart,the age group between 30-40 is 52% ,Age between 20-30 is 33.6% and age group above 40-50 is 14.4%.From the study that the interest of buying Harley-Davidson is more in the age group of 30-40 . The reason may be that this type of age group are settled and want to have a flavor of luxury relaxation.

Table 6.2.3 Frequency Distribution Of Occupation Of The Respondents

Particulars	Frequency	Percentage
Student	42	33.6
Employed	25	20.0
Business	51	40.8
Self Employed	7	5.6
Total	125	100.0

Interpretation

The occupation of respondent who Prefer to buy Harley-Davidson is observed .The result is 40.8% of the customers are Business people , 33.6% are students , salary employed are 20% and Self-Employed are only 5.6%

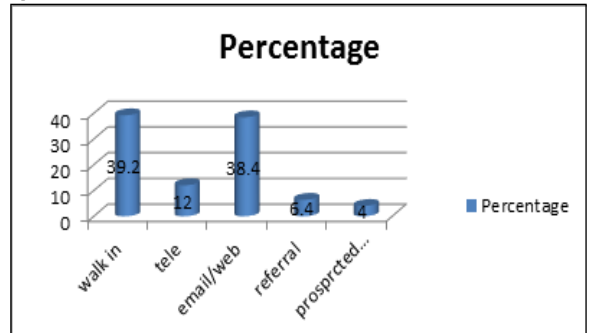
Table 6.2.4 Frequency Distribution of Annual Income in lakhs of the Respondents

Particulars	Frequency	Percent
Below 10	23	18.4
10-15	39	31.2
15-20	43	34.4
Above 20	20	16.0
Total	125	100.0

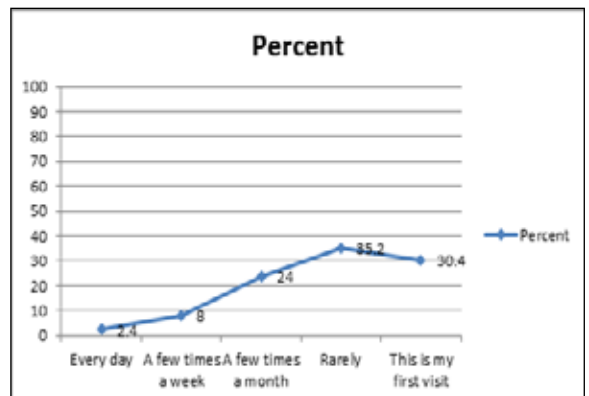
Interpretation

The Annual Income of respondent who Prefer to buy Harley-Davidson is observed .The result is 34.4 % of the customers earn between 15-20 lakhs , 31.2 % of the customers earn between 10-15 lakhs , 18.4% earn below 10 lakhs and 16 % earn above 20 lakhs.

6.2.5Representing the source of Enquiry of the Respondents



6.2.6.Representing the Respondents no of times visit the showroom



HYPOTHESIS I

Null Hypothesis: There is no significant difference between Male and Female with respect to Consumer behavior.

TABLE 6.2.7.Student t test for significant difference between Male and Female with respect to Overall Consumer behaviour

Gender	Size	Mean	SD	t value	Table value
Male	101	20.02	5.634	3.463	1.96
Female	24	15.42	6.724		

Since calculated value of t is greater than table value of t, the null hypothesis is rejected at 5% level of significance. Hence concluded that there is a significant difference between male and female with respect to overall consumer behaviour .Mean level of male is more than the female in purchasing decision making (consumer behaviour) Null Hypothesis: There is no significant difference between Mean Rank towards

satisfaction on unique feature

6.2.8.Friedman test for significant difference between Mean Rank with

respect to rating on unique feature of the bike

Motorcycle attributes	Mean Rank	Sum of Rank (R)		Chi-Square value	Table value
Engine power	6.16	770	592900	33.893	16.9
Throttle response	5.43	678.15	459887.42		
Acceleration	5.73	716.25	513014.06		
Braking efficiency	5.99	748.75	560626.56		
Seat comfort	5.77	721.25	520201.56		
Seat height	5.46	682.5	465806.25		
Driving handle position	4.76	595	354025		
Vehicle handling	5.05	631.25	398476.56		
Suspension comfort	5.45	681.25	464101.56		
Maneuverability	5.20	650	422500		

Since calculated value of Chi-square is greater than table value of Chi-square, the null hypothesis is rejected at 5% level of significance. Hence concluded that there is a significant difference between Mean Rank towards satisfaction on unique feature .Mean level of Engine Power is more than other motorcycle attributes of Harley-Davidson.

CONCLUSION

The study was made to know the Smart Selling Process and unique feature Harley-Davidson. Therefore a test was made on Coromandel-Harley-Davidson to find out their Smart Selling Process and unique feature Harley-Davidson. To get an effective result questionnaires were issued to the customers to know their satisfaction level. After applying necessary statistical tools the result was arrived. Most of the results were positive and favourable to Harley-Davidson . Customers consider themselves to be highly proud , powerful, relaxed, interesting while using the product.Harley's Customers are High network individual,Celebrities,Sports person and Passionate people.The customers are asked to rate the Motorcycle attributes to find the unique feature of the product . In the survey it was observed that the highest rating given by the customers to the Engine Power . In study it is found that the Market share, capturing half the U.S. market and a third of the global market with 66.36As a luxury good, Harley competes primarily on design and quality, rather than price, which keeps margins high2014 is projected to be approximately 34%.Harley need to attract younger buyers to maintain its long-term market share.,

HD focus on customers .They created the Harley Owners Group otherwise known as H.O.G. This is a Harley division that is dedicated to the customer experience. It was started to promote a positive Harley brand and to clean up the negativity of the old biker gang image. H.O.G. extended its mission to include a closer relationship with their customers to determine their needs regarding Harley's products and services.The customer contact starts when a customer buys a Harley-Davison motorcycle. They receive a free one year membership with H.O.G. There is constant feedback between Harley and their members. In fact, Harley conducts an annual survey for new and active members to determine their satisfaction with H.O.G. The H.O.G.

members are very instrumental in the feedback that Harley receives regarding their equipment, apparel and the H.O.G. organization itself. Harley's primary focus is listening to the voice of the customer and taking action to create the ultimate Harley lifestyle.Harley-Davidson's H.O.G. division creates many opportunities for interaction with their customers to gain valuable feedback to strengthen their brand, their products and the loyalty of their customers. They survey them, they talk to them, they ride with them and, most importantly, they create many memorable experiences for them. Harley has made a commitment to take their customers from being just satisfied to being loyal by providing them the experience of a lifetime.Collecting customer information leads to continuous learning of an organization and innovation of its products and services. The willingness to ask and act on the feedback results in better products, services and mutually beneficial relationships with customers. Creating loyal customers and a win/winwith them, what a beautiful place to be!Hence to conclude that Harley –Davidson is performing and giving an excellent smart selling process and the Unique features of Harley Davidson are exceptional and remarkable.