



Inspiring Excellence

## **Internship Report**

On

*" Study on consumer behavior with special reference to preference of brands in Tyre Industry"*

**CEAT AKKHAN LTD.**

Prepared By-

**Name : Tausif Ahmed Preetam**

**ID : 11304064**

**Dep : BRAC Business School**

Submitted to-

Iffat Tarannum

Lecturer, Brac University

Date: 18/12/2016

# LETTER OF TRANSMITTAL

---

December 18<sup>th</sup>, 2016

Iffat Tarannum  
Lecturer, Brac Business School  
Brac University  
66, Mohakhali

Subject: **Submission of Internship Report.**

Dear Madam,

With due respect, I would like to inform you that, I have completed three months internship program from CEAT AKKHAN LTD. In compliance with the fulfillment of the requirements of BBA program, I would like to present my internship report to you, which is prepared in accordance with your instructions.

I would like to say it has been a great experience for me to prepare a report on this topic, which enlarged my practical knowledge. I had the chance of experiencing and rediscovering my potentials. It gave me an opportunity to apply my theoretical expertise, sharpen my views, ideas and communication skills. I tried my level best to put meticulous efforts for the preparation of this report. While I am preparing the report, I have tried my best to make the report as much authentic as possible. Beside that I have also tried to make the report properly structured and provide you with necessary information, explanation and analysis for the clarification. I therefore pray that you would be kind enough to accept this report and obliged thereby.

Sincerely,

**Tausif Ahmed Preetam**  
**ID: 11304064**

## Acknowledgement

At the very beginning, I would like to express my deepest gratitude to the almighty Allah for giving me the strength and the ability to finish my internship report within the scheduled time and for enabling me to complete the task with good and sound health.

I would like to say special thanks to my honorable intern supervisor **Iffat Tarannum**, Lecturer of Brac University for proving me with the proper supervision with her valuable time.

I would like to thank all the officials of **CEAT AKKHAN LTD.** who have given me the chance to be familiar with the real organizational environment and practically experiencing the procedure practiced at tyre manufacturing industry. Moreover, I am very grateful to work under the supervision of **Mr. Amit Roy** (Marketing Manager), **Mrs. Ishrat Jahan** (Marketing Executive) and other seniors who provided every information I needed, during my internship period. The experience I have got working their will help me in my professional life in near future.

Finally, I want to remember those people who have helped me and provided me their indispensable guidance, precious time, effort, assistance directly and indirectly in completion of the report. So the sincere thanks go to my loveable parents and my fellow colleagues.

# Table of Contents

<b>Executive Summary.....</b>	<b>6</b>
<b>Chapter 1. The Organization.....</b>	<b>7</b>
Organizational Overview.....	8
Mission & Vision.....	9
Objective.....	9
Values.....	9 - 10
Core Values.....	10
CEAT organizational structure.....	11
Products offered by CEAT.....	11
<b>Chapter 2. The Process of CEAT.....</b>	<b>12</b>
Marketing Mix.....	13
Products.....	14 – 15
Product Segmentation.....	16
Pricing Strategy.....	16
Supply.....	17 – 18
Competitive promotion.....	18 – 19
Market Segmentation.....	20
Target Market.....	21
SWOT Analysis.....	22

<b>Chapter 3. Job Description.....</b>	<b>23</b>
Nature of the job.....	24
Specific job responsibility.....	25
Critical observation & Recommendation.....	26 – 27
<b>Chapter 4. Project Summary.....</b>	<b>28</b>
General Objective.....	29
Specific Objective.....	30
Purpose of the study.....	30
Methodology.....	30 – 31
Data collection.....	31
Interpretation.....	32
Limitations.....	32
<b>Chapter 5. Findings &amp; Analysis.....</b>	<b>33</b>
Fitment Survey.....	34 – 37
One to One Survey.....	38 – 41
Recommendation.....	41
Conclusion.....	42
<b>References.....</b>	<b>43</b>
<b>Appendix.....</b>	<b>44 – 46</b>

## Executive Summary

This report provides a study of entire tyre market of Bangladesh perception of CEAT AKKHAN LTD. For ease of understanding this report is segmented into five phase. First phase contains CEAT's overview, mission-vision, objective, values and other related issues. Next phase of the report exhibits the process details about the marketing approaches and activities of CEAT. The third phase of this report is concentrated on the job description, where I have completed my internship, my job nature, responsibilities, job performance, critical observations and recommendations. The fourth phase contains the project summary, description, methodology, data collection, research method, sample design and limitations. In the fifth phase, analysis & findings are shown. In the last, I ended up with conclusion and references.

CEAT AKKHAN LTD. Is building them as a leading brand, currently are in growing position. In Bangladesh they are mostly absorbed on truck-bus tyre segment. At present CEAT's commitment pay out to five different region likes- Dhaka, Bogra, Chittagong, Sylhet, Jessore. Primarily, I find out the market share through vehicle fitment survey, then met with dealer to know their market potentiality and also met with enormous customers to know their brand preferences and other prospects. During my three months Internship period I operated in Dhaka and Chittagong. There I collected customers data through direct and indirect communication and also motivated them to buy CEAT tyres and informed the warranty level. CEAT extends their services to compete with major competitors, included different competition program. Integrate different promotional programs like – customer engagement event for truck owners and drivers. CEAT are also estimating human resources for factory plant and developing other outlying setup and trying to ensure proper labor code of conduct.

**CEAT AKKHAN LTD.**

## Chapter 1

# The Organization

---

## Organizational Overview:

CEAT AKKHAN LTD. is one of the largest tyre manufacturers of India. They produce different types of tyre for Truck, Bus, Passenger car, Bike, Auto rickshaw and LCV (Light Commercial Vehicles). They started their journey in 1924 at Turino, Italy and started manufacturing cables for telephones and railways. In collaboration with TATA Group, CEAT stepped into India in 1958. In 1982, the RPG Group acquired CEAT, and in 1990, renamed the company CEAT Ltd. In 2012 they started business in Bangladesh with the joint venture of AK KHAN Group by naming CEAT AKKHAN LTD. CEAT has 6 tyre plants across India and Srilanka and have market share of 25% -30% respectively in Indian tyre market. CEAT exports tyres to USA, Africa, America, Australia and other parts of Asia. It has 37 regional offices, 8 Zones, over 3,500 dealers and more than 100 C&F agents. CEAT produces over 6 million tyres every year. They also got dedicated customer service, with customer service managers in all four divisional offices, assisted by 50 service engineers.

CEAT started their operation in Bangladesh in joint venture with AK KHAN in 2012. It is one of the first leading MNC tyre manufacturing companies who are building a factory plant at Bhaluka, Mymensingh to produce heavy duty TBB bias tyres. AK KHAN Ltd. signed a joint venture agreement with RPG Enterprises flagship tyre company CEAT, to build this factory to produce 110 metric tons per day at a cost of US\$67 million. This deal shows it is one of the largest investments by an Indian firm in Bangladesh. CEAT can create direct and indirect employment for 1,000 people and act as an import substitute. The state of the art factory is expected to produce tyres for the local and export markets in this 2017-18.



## **Mission & Vision:**

To be amongst the most profitable tyre companies in India by 2017 through:

**Mission:** CEAT will nurture an exciting and challenging working environment embedded with fairness and free, frank exchange of views.”

**Vision:** CEAT will each time every time provide Total Customer Satisfaction through products and services of highest quality and reliability.

## **Objective:**

CEAT has decided to expand their business and so they decided to tap into the Bangladesh tyre market. They are setting up a new plant in Bangladesh and start producing from around April 2017. Meanwhile, CEAT needs to build up a brand image of its own for the consumers perception. To achieve that, CEAT is investing on the marketing and advertising activities which would pave the way for a better business in the Bangladeshi tyre market. The first objective is to create brand awareness among the target consumer group and build up a good perception in their minds.

## **Values:**



**Figure: Values of CEAT**

**Challenger:** CEAT endeavor to try new things and not fear of failure, we question current ways of working and we are open to criticism and suggestions from the team and others in the organization.

**Aspiration-led:** CEAT inspire our people to dare to dream. Our aim is to deliver unique service to our customers. This we do by trying to outclass at our work.

**Integrity:** CEAT take accountability for our actions and guarantee its behavior matches our words. Being honest and transparent in our work is our constant endeavor.

**Result-obsession:** CEAT esteem the time of others and strive to demonstrate a sense of urgency in taking decisions.

**Openness:** CEAT values the skills, strengths and views of others and has a desire for learning and sharing ideas. We escalate and are accountable with the information the company shares with us.

**Core Values:**

- Create customer value.
- Ensure dealer profitability.
- Specialized and transparent commerce.
- Mutual respect between dealer and customers.

## **CEAT Organizational Structure:**



**Figure: CEAT organizational structure**

## **Products Offered by CEAT:**

CEAT produces a wide range of tyres for Indian, Bangladeshi & Srilankan vehicles and provides to numerous user segments with –

- Heavy-duty Trucks and Buses
- Light commercial vehicles
- Tractors
- Passenger car
- Motorcycles
- Scooters and Auto Rickshaws

**CEAT AKKHAN LTD.**

## Chapter 2

# **The Process of CEAT**

---

## The Process of CEAT AKKHAN LTD:

### **Marketing Mix:**

Marketing mix is an extensive concept which includes numerous aspects of marketing which are connected to creating awareness and customer loyalty. The term is often summarized as referring to the "Four P's". So, marketing decisions mostly fall into the following four controllable categories, which are known as 4ps:

- Product
- Price
- Place (distribution)
- Promotion

Marketing choices can also be taken by distinctive marketing tools known as 4c's, which are:

- Consumer
- Cost
- Convenience
- Communication

4p's and 4c's can be linked to each other for executing any marketing plan. Products are for customer's satisfaction in satisfying their wants and needs. The price is the cost a customer pays for the product. Place is a way of receiving the product to the consumer and/or how simply reachable it is to consumers for their convenience. Promotion is the message link between sellers and buyers for the purpose of impelling, informing, or persuading a potential buyer's buying decision. So, organizations need to produce right product, sold at the right price, in the right place, and use the most appropriate promotion in order to be productive in the market.

**Product:**

CEAT offer superior ranges tyre, below given the tyres model:

**Truck / Bus (Bias):**

- MILE XL
- MILE XL RIB
- MILE XL SL+HD
- MILE XL RIB PRO
- LUG XL
- LUG XL PRO
- FM SUPER
- HCL SUPER HL
- RD PRO



**Truck / Bus (Radial):**

- PRO R 10
- PRO S 10
- PRO B 10
- PRO B 12
- PRO C 10
- NXGR 1TL



**Jeep: MAGNUM**

**LCV (Light Commercial Vehicle):**

- B MILE XL
- B MILE XL RIB
- HT 80
- HT 100



**PCR (Passenger Car):**

- MILAZE
- MILAZE TL
- MILAZE FI
- RHINO



**Farm / OTR:**

- SAMRAT
- AYUSHMAAN

**Last Mile:**

- ANMOL RIB
- ANMOL LUG
- ANMOL SL

**Auto Rickshaw:**

- BULAND

**Motor Cycle:**

- SECURA F67
- SECURA ZOOM F
- SECURA ZOOM
- SECURA F85
- GRIPP
- ZOOM R
- SECURA ZOOM PLUS
- MILAZE
- VERTIGO SPORT
- VERTIGO RAGE



**Scooter:**

- SECURA

### **Product Segmentation:**

- Tyres can be classified into two major types on the basis of vehicle categories - Commercial vehicle tyres and Passenger vehicle tyres.
- Commercial vehicle tyres comprise Medium and Heavy Commercial Vehicles (MHCV), Light Commercial Vehicle (LCV) and Tractor tyres.
- Passenger vehicle tyres include car, jeep, motorcycle and scooter tyres.
- The portion of these vehicle segments in the total tyre market has changed pointedly over the past 15-20 years, with the share of passenger vehicles growing and that of commercial vehicle tyres decreasing.

### **Pricing Strategy:**

In this economical market CEAT is ensuing skimming pricing strategy. Currently CEAT is importing the tyres from India; hence they cannot able to follow lower pricing strategy. But they will turn to low price strategy, when their production will start here in Bangladesh manufacturing plant.



## Supply:



**Figure: Regions of CEAT**

In order to maintain supply chain CEAT has established warehouse in these regions. By doing that it has condensed the lead time and ensured appropriate delivery of their products from the warehouses to their target market on time. To make the products available to the customer an operative dealership network has been recognized in these regions. It has maintained proper synchronization of product by moving products from one region to another based on demand. If there is fewer demand a specific products or size in a particular region and if the product leftovers unsold then it is being lifted to another region where there is more demand for the specific products or size. It is done for the following reasons:

- To achieve consumers demand
- To guarantee right product at right time at right place
- To decrease inventory cost
- To ensure proper supply of products

The company upholds his complete selling activities through the dealers which are strategically situated. CEAT AKKHAN LTD. evades direct selling and does not have any showroom or outlet.



**Figure: Supply process of CEAT**

### **CEAT AK Khan’s Competitive Promotions:**

In the 21st century business environment promotion plays dynamic role in assuring organization success. By effective promotion organization can connect with the customers and create a link between buyers and sellers. Promotion helps to notify people about the products and services and creates demand for the products which eventually lead to purchasing decision.

### ***Promotional Mix:***

In order to attain CEAT AK Khan Ltd projected growth, they came up with effective promotional tools. The promotional mix has been planned to achieve sales increase, increase profit margin, Construction of Brand equity, product awareness etc. CEAT promotional mix targets five main features of a promotional mix.

**Advertising:** To make people conscious about the products and to attain growth, CEAT using numerous advertisement tools. For example- wall painting at Bus terminals, truck stands, on High ways, in store displays by authorized dealers, leaflets, pads, pen-diary or emails are the most common.

**Personal Selling:** Direct selling through individual or group presentation through oral presentation helps to inspect prospective customers. Through a talented and active sales force CEAT conduct its sell penetration. Beside that it also organize sales training programs for the dealers and sales meeting with bus-track owners.

**Sales Promotion:** For sales promotion, CEAT give rewards to the dealers based on sales performance. Such as foreign trip, Laptop, Mobile set etc.

**Turn over Discount (TOD):** A dealer will be qualified for TOD at 1% on the pre-tax invoice values (Net of all discount) only if dealer completes at least 3 (three) rotations in quarter. TOD will be given up to a maximum of 6 rotations in a quarter.

**Direct Marketing:** CEAT is evolving online display ads, fliers, catalog distribution, promotional letters, and outdoor advertising.

## Market Segmentation:

Segmenting market is one of the major parts of marketing. A company needs to classify the market segments it can serve efficiently. A market segment comprises of a group of customers who share a similar set of wants. The marketer does not create the segments, the marketer's task is to identify the segments and decide which ones to aim. Segment marketing offers numerous benefits over mass marketing. The company can more easily select the best distribution and communications networks. Segmentation is separating the market into segments based on geographical, demographical, psychological or behavioral variations.

1. CEAT focuses on behavioral segmentation. Market segmentation for CEAT tyres is discussed below:

- **Benefits:** Tyre quality, customer service, economy, convenience, speed.
- **User Status:** Non-user, ex-user, potential user, first-time user, regular user.
- **User Rates:** Light user, medium user, heavy user.
- **Readiness Stage:** Unaware, aware, informed, interested, desirous, intending to buy.

2. CEAT focuses on regional districts under the demographical segmentation. They expend their operation in 5 different regions like -

- Dhaka
- Chittagong
- Bogra
- Sylhet
- Jessore

**Target Market:**

In competitive market of Bangladesh below mentioned area are been focused to tap in.

CEAT's target market-



**Figure: Target market of CEAT**

## **SWOT Analysis:**

Strengths and weaknesses are the micro environmental aspects influencing a business which are within the organization. Opportunities and threats are the macro environmental factors that affect all the firms in the industry. They are existent in the whole industry. The following figure shows the strengths and opportunities of CEAT AKKHAN LTD.

<b><u>Strengths</u></b> <ul style="list-style-type: none"><li>• Provides premium range tyre.</li><li>• Product quality, reliability and longevity.</li><li>• High brand equity.</li><li>• Products have required accreditations.</li><li>• High degree of customer satisfaction.</li></ul>	<b><u>Weaknesses</u></b> <ul style="list-style-type: none"><li>• Product awareness is very low.</li><li>• Lack of proper human resource in delivery and customer service section.</li><li>• Lack of advertisement and promotional activities.</li><li>• Lack of coordination to provide direction.</li></ul>
<b><u>Opportunities</u></b> <ul style="list-style-type: none"><li>• Prospect to increase market share.</li><li>• Factory role will be active to export.</li><li>• Chance to get more corporate deals</li><li>• Chance to become lower product price for factory production.</li></ul>	<b><u>Threats</u></b> <ul style="list-style-type: none"><li>• Vulnerable to reactive attack by major competitors.</li><li>• Lack of infrastructure in rural areas could constrain investment.</li><li>• High volume/low cost market is intensely competitive.</li><li>• Create environmental hazards by factory production.</li></ul>

**Figure: SWOT analysis of CEAT**

**CEAT AKKHAN LTD.**

## Chapter 3

# Job Description

---

## Nature of the Job:

Tyre industry is completely different from others manufacturing commodities. Hence the job required different type of technical skills and knowledge. Working in this dynamic environment is very stimulating and requires proactive attitude towards work. As an intern of CEAT, I worked at Dhaka head office. Here, I involved with market research to know the possible tyre shares, involved with public relations, appeared in sales training for dealer management, handle the customers to know their likings.

**1. Creating product awareness:** Consulting with different vehicle owners and inspect their vehicle, then make them aware to care their tyres. Notifying CEAT tyres features with given nearby CEAT authorized dealer contact.

**2. Maintaining BTL Promotion:** Classify the potential customer, and deliver them trade support. Basically trade promotion related jobs are done here. Providing dealer-distributor board, monitoring ongoing schemes. Selecting the gift stuffs which will be given to the customers etc.

**3. Create customer database:** Accumulate all scattered customer data for make a suitable database. This works as my report to present my line manager. After base on this report management find out the potential customer and gathering them through their transport business involvement.

**4. Communicate information between dealer and management:** Collecting dealer condition and their feedback or, if any demurrals arise then inform to CEAT management instantly.

**5. Arrange customer interactive program:** CEAT organize customer interactive program for automobile owners and drivers to provide tyre technical information and inform other feature of CEAT tyres.



### **Specific Responsibilities of the Job:**

Under the sales and marketing department, me basically conduct with marketing survey, dealer mapping, potential customer identification, technical support and other related errands.

**Market Research:** Firstly find out the suitable identification of tyre brand usage rate was the key concern, this survey called fitment survey, which has vehicle number, vehicle maker, tyre size, ply rating, tyre category (bias/rear), tyre brand name etc. In Dhaka city, I have visited Tejgaon Truck Stand and Tongi-Gazipur Truck Stand in order to conduct this tyre identifying and fitment survey. Besides that, I visited Chittagong and surveyed there too.

**Dealer Mapping:** In Dhaka city, I have visited Thatari Bazar, Banglamotor, Bongshal, Mohammadpur, Mohakhali and Tongi for dealer mapping and inform them about CEAT factory plant. Moreover, I also identified their storage, brand preferences and dealing companies.

**Maintenance Support:** Providing maintenance support to CEAT and Non-CEAT customers through keen review. Delivery an entire report on usage tyre condition, there contains air pressure extent, rubber amount. Given a proper recommendation about air storage, tyre rotation and which bead tyre is suitable according to weight. Recommend the Rib, Lug and Semi-Lug bead according to suitable PR (Ply Rating).

**Potential Customer Identification:** Through the market research I tried to find new segment of probable customers and approach them with attractive proposals and benefits. I tried to persuade them about CEAT products and precisely showed them how they can save money by using our products.

**Trade Management:** Besides other actions, one of my prior accountabilities was to know sales policies of CEAT. How a dealership set by financial deal with particular dealer. Updating discount policies, sales advance deposit, billing limit & credit period, rotation of sales advance deposit, cheque dishonor, and turn over discount (TDA) etc.

### **Critical Observation & Recommendation:**

From my observation and direct experience I have few suggestions to make this more effective-

#### ***Critical observation:***

**1. Customer satisfaction:** Customer satisfaction is more essential for any business. In CEAT Chittagong region it is not meeting as per required, because of absence of customer service support. Need to set up more potential dealer in whole country.

**2. Product Positioning:** Tyre is indispensable part of automobile. To beat the competitors CEAT need to place their product more effectively. In that case dealer satisfaction has to meet up to the mark.

**3. Focusing PCR and Price:** CEAT Radial tyre price need to follow penetration strategy. Also need to emphasis more on PCR segment, in Dhaka city there are lot of dealer dealing with only PCR (Passenger Car) segment.

### **Recommendation:**

- Job responsibility and duties need to be more precise.
- Cumulative collaboration with others department employee.
- Online payment need to be introduced for dealer.
- Generating a good business relation with local office of TATA (Nitol Motors) & Ashok Leyland (IFAD Autos).
- Organizational structure need to improve in other region, like- Bogra, Chittagong, Sylhet, Jessore. Only sales division set up is not adequate.
- In terms of customer adaptation, realistic target should be set for employees so that it can be achievable.
- Appraisal process should be communicated properly.
- Promoting innovation and leadership in workplace.

**CEAT AKKHAN LTD.**

## Chapter 4

# Project Summary

---

## **Project Summary:**

This project was done as a part of an internship program of BBA. It was done through theoretical knowledge and practical revelation for the “Sales & Marketing department” of CEAT AK Khan Ltd. The topic of the research is "Study on consumer behavior with special reference to preference of brands in Tyre Industry". This research enlarges the understanding about the tyre industry of our country and the consumer purchasing behavior. The research also helps CEAT AK Khan Ltd. by providing them the whole scenario of the tyre purchasing knowledge.

## **General Objectives:**

The project aims to find out current tyre market situation in Bangladesh and how customers are motivated to purchase tyre for their vehicle by providing a clear picture in front of the reader. CEAT AK Khan Ltd. is relatively new in this highly competitive tyre industry of Bangladesh which is mostly dependent on import. The general objectives behind my project are:

- What is the nature of tyre industry in our country?
- The number of tyre companies operating in Bangladesh.
- Who are dominating the market?
- Pricing trends of different brands.
- What are the current market shares among the brands?
- How much people get influenced by reference while purchasing a tyre?
- Performance satisfaction after purchase.
- In which tyre category special references are working more than others?
- Which companies are capturing or capitalizing in this consumer behavior?

### **Specific objective of the study:**

- To find out changes and opportunities of CEAT Bangladesh LTD.
- To find out weakness and strength of CEAT Bangladesh LTD.
- Conducting market survey to identify market condition.
- Consumer buying behavior.
- Influence of references while purchasing tyre.
- Future impact of references.
- Product knowledge of the consumers.
- Level of education playing role for purchase.

### **Purpose of the study:**

The purpose of the report is to find out the potential information for analyzing and presenting current market scenario to the reader. This report focuses on how the references works during tyre purchase and what are the elements that instigate consumer buying behavior. The study is very much limited to Dhaka City due to time constraint.

### **Methodology:**

A research design is simply a framework or a plan for a study that may be used as a guide in collecting and analyzing data. There are various methods of conducting this research, such as- Statistical Method, Observation Method, Interview Method and Questionnaire Method. Given the nature of the present study, it is required to collect data/information from the primary and secondary sources.

To do the research on identifying “**Consumer behavior with special reference to preference of brands in Tyre Industry**”, thought of conducting a survey on Truck and Motor cycle owners, which would have various sets of questions. In the process of conducting the research, I prepared a questionnaire. That questionnaire had fourteen (14) questions. My questionnaire consisted of both open and close ended questions. But I tried to put close ended questions (mostly dichotomous) so that it gets easier for the respondents to answer. Again, there were questions that had more than two options. In order to get a better insight there were some open ended questions too. It helped them to formulate their own answers and gave me a detailed view of their opinion.

### **Data collection:**

In order to meet the data requirement and collect the above mentioned information following sources has been used:

**1. Primary Data:** Primary data has been collected through survey. Beside that information collected through personal interviews of the dealers, truck-bus owners and drivers.

**2. Secondary Data:** Important sources of secondary data for conducting this research were:

- Head Office marketing and sales guideline.
- Previous data analysis report.
- Some unpublished information.
- Relevant business research books.
- Official website of CEAT.

### **Interpretation:**

During my internship, I conducted two surveys. One was fitment survey to find out who are the market leaders in tyre industry of Bangladesh and another one survey was to figure out influence of references to become preferences during tyre purchase of customers and other factors that influences their purchase.

Collected all data were analyzed and interpreted by using Microsoft Excel which is familiar to all.

### **Limitations:**

There are some obstacles that I had to face during conducting my study on this topic. This report is subject to the following limitations:

- Time constraints.
- Finding the correct respondents was difficult.
- In most cases respondents were not that much cooperative.
- Extensive traveling within short time created physical challenge.
- Information about current market is very hard to find.
- Lack of personal knowledge about tyre industry.
- Respondents hesitate to give the valid information.



**CEAT AKKHAN LTD.**

## Chapter 5

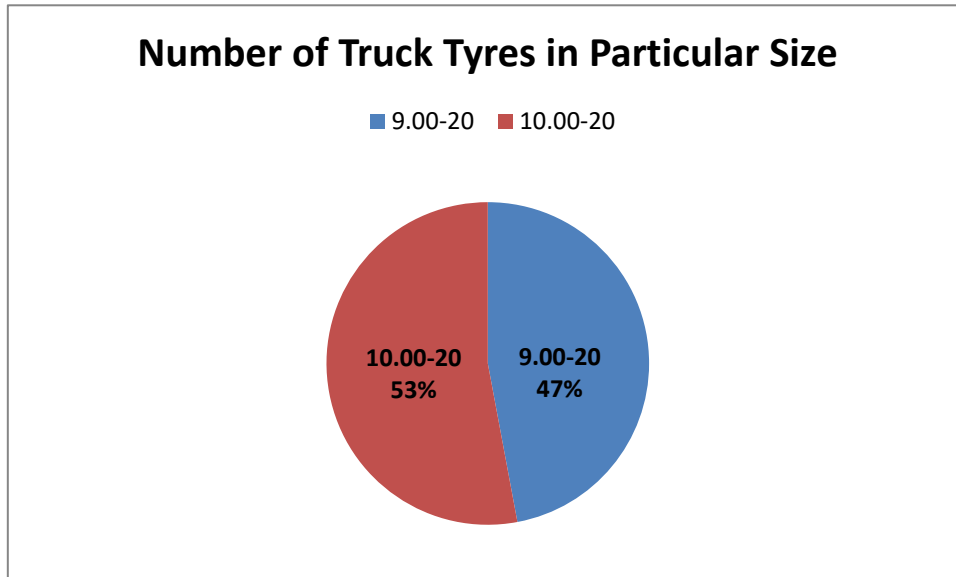
# Findings & Analysis

---

**Fitment survey:**

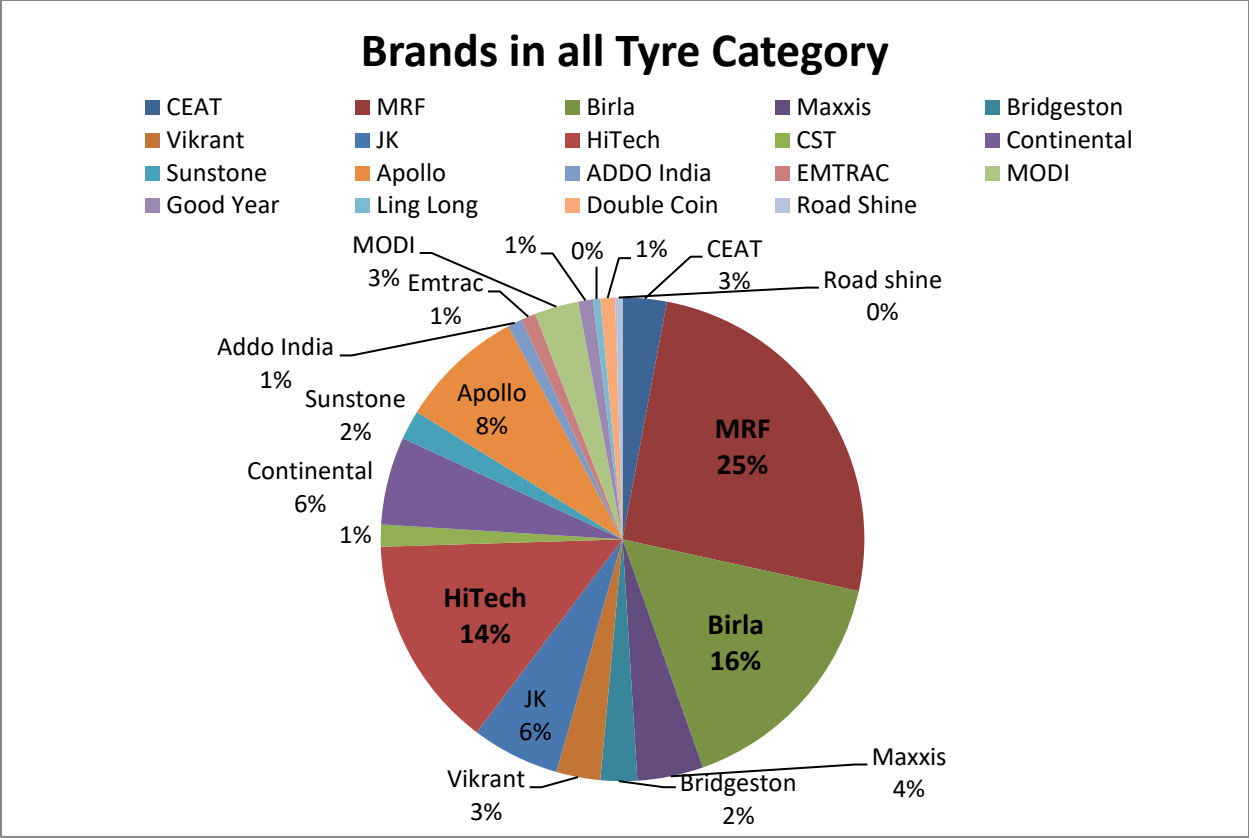
This part was done to find out which brand is taking the lead in this industry, what are the sizes of tyre is being used more etc.

**Truck-Bus Tyre**



**Figure: Dominant size in TBB category**

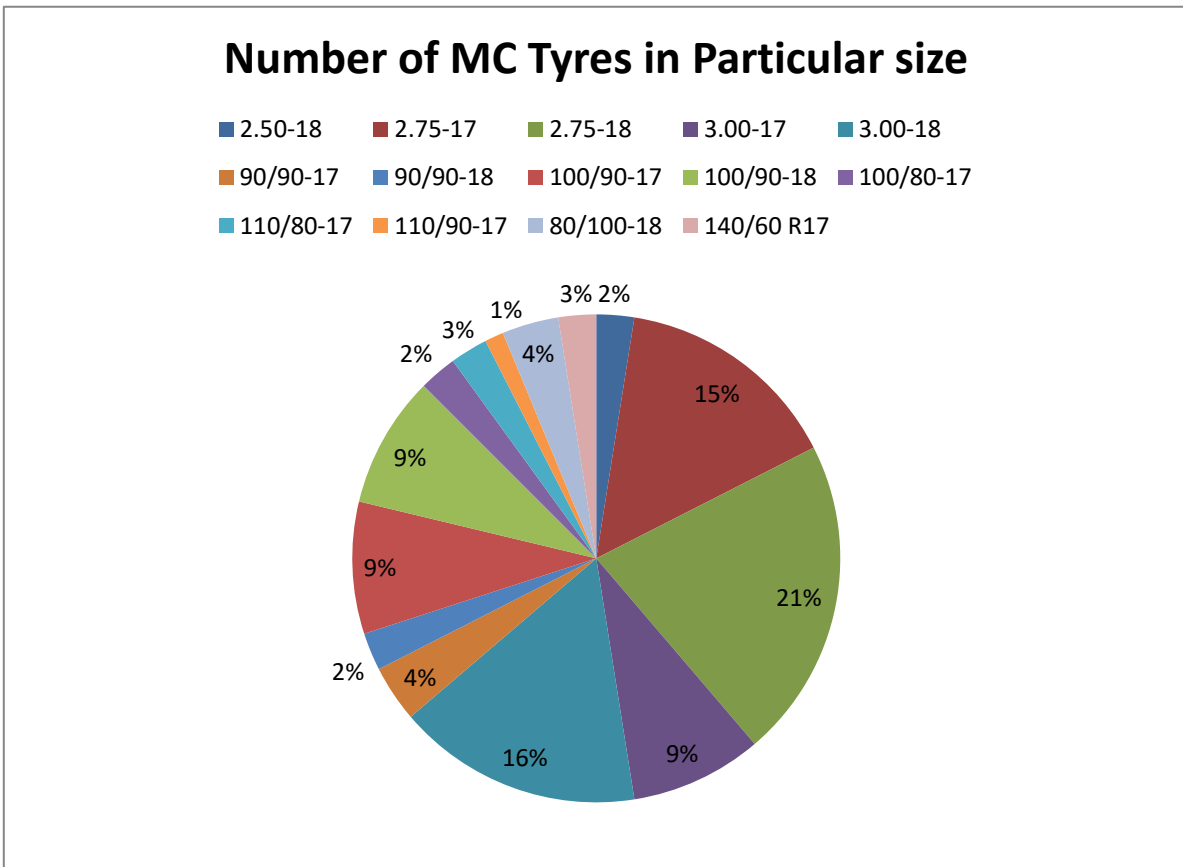
Mostly used tyre size in this category is 10.00-20 and 9.00-20. Besides these sizes, there are other sizes like 8.25-20, 8.25-16 etc. And there are also two types of tyre category, Bias and Radial. But as I surveyed only trucks, they mostly use bias tyres, because it can take heavy load and sustainability of bias tyres are more than radial.



**Figure: Dominant brand in TBB category**

It is clear from the given figure is that; MRF is the market leader in TBB tyre category along with Birla and Hitech. MRF is carrying 25% market share, Birla 16% and Hitech 14%. As CEAT is new in the market, it has only 3% of the market share but it is growing.

## Motor cycle Tyre

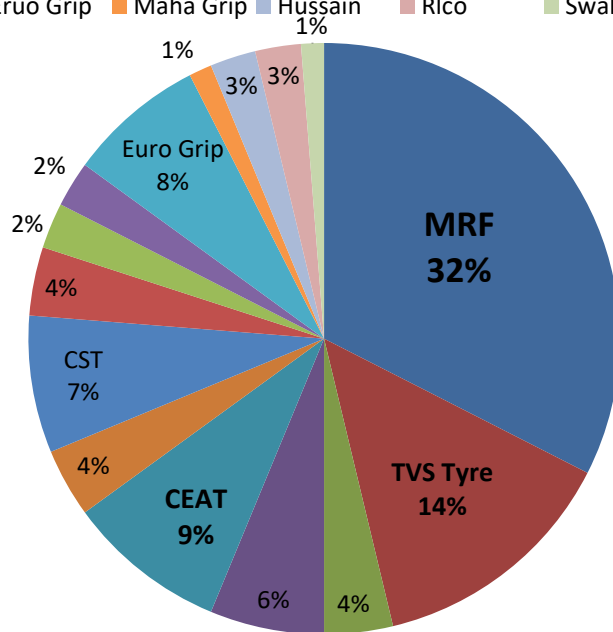


**Figure: Dominant size in MC category**

In motor cycle category, the sizes mostly used are 2.75-18 and 3.00-18 rear tyre. They both are carrying 21% and 16% market share respectably. 2.75-17 is also capturing a significant market share.

## Brands in all Tyre category

■ MRF    ■ TVS Tyre    ■ Dunlop    ■ Gazi    ■ CEAT  
 ■ Kingstone    ■ CST    ■ Birla    ■ Hengshin    ■ Kenda  
 ■ Eruo Grip    ■ Maha Grip    ■ Hussain    ■ Rlco    ■ Swallow

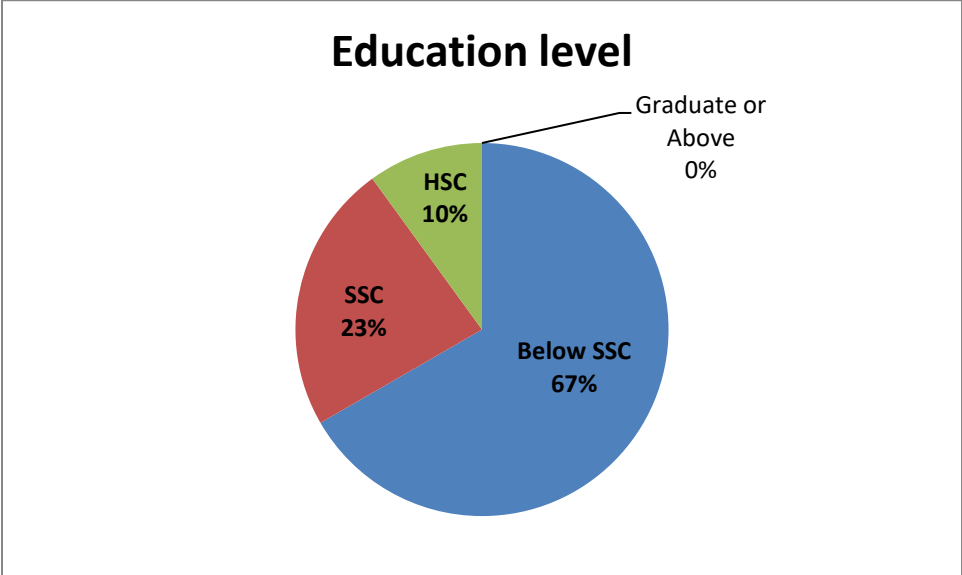


**Figure: Dominant brand in MC category**

Here in Motor cycle category, MRF has 32% market share which indicates they are taking the lead. TVS tyre has 14% and CEAT has 9% market share. This category is competitive compared to others. CEAT is doing well in this category and growing fast.

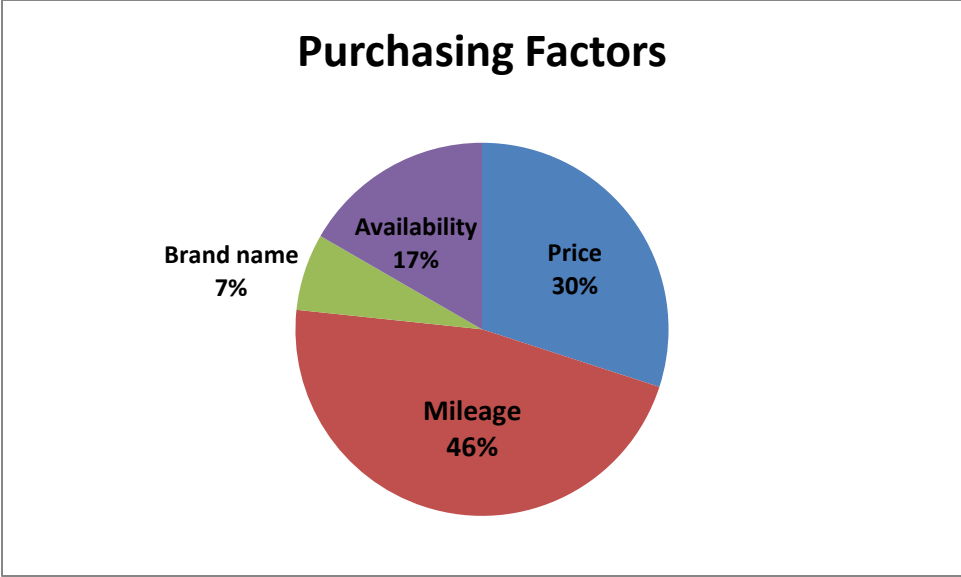
**One to One Survey:**

By conducting survey on truck owners I ended up finding some interesting facts. The truck owners are not that much educated, hardly they have completed secondary schooling. Other than that their education level is very poor.



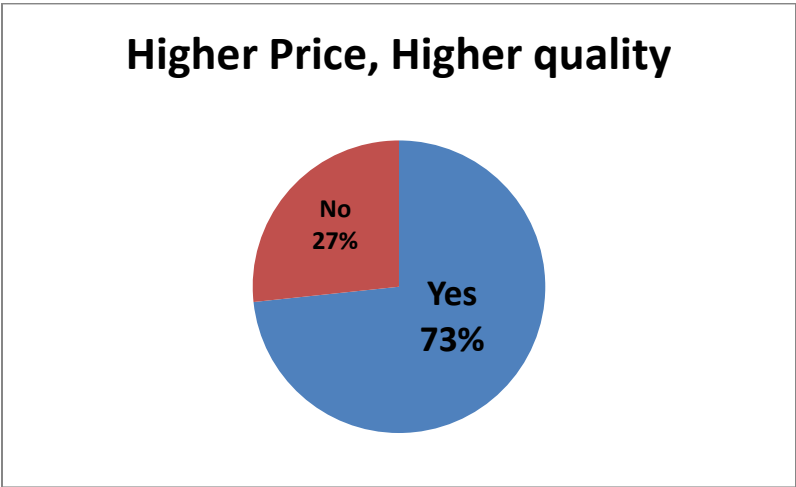
**Figure: Respondents educational level**

There are some core factors that are playing vital role while purchasing tyre. Mileage is the main thing that is been focused by the customer and price, availability also can influence the tyre purchase.



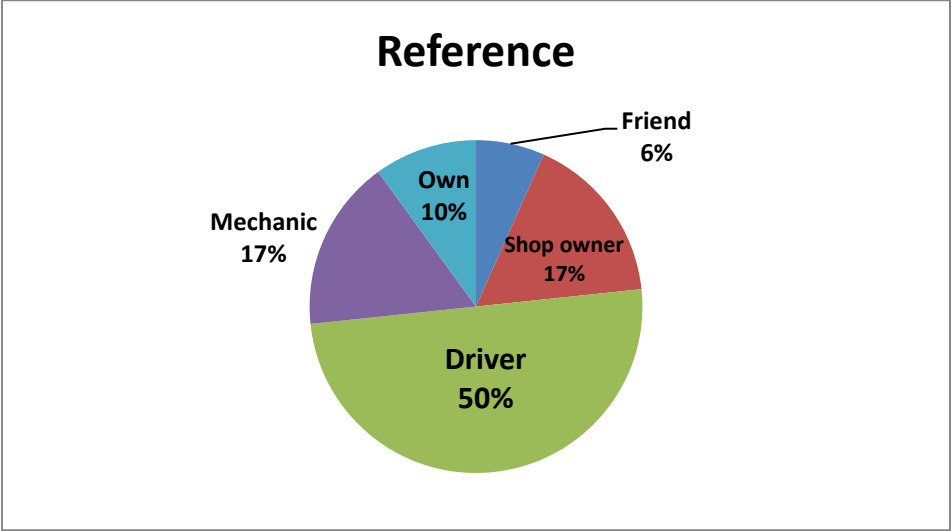
**Figure: Purchasing factors**

Most of them believe higher price means higher quality. From their statement, “if you want get good quality product you have to pay more and it’s natural.” But some of them of course differed from this statement.



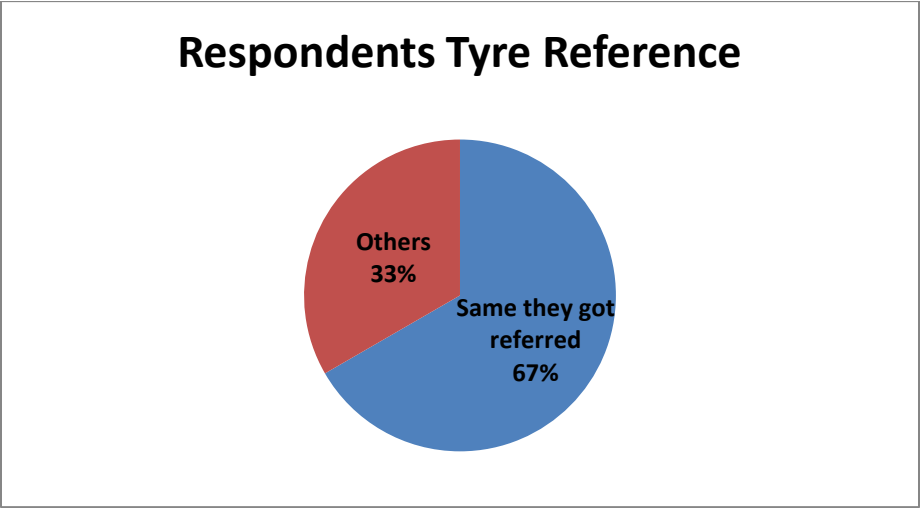
**Figure: Price-Quality response**

They mostly get referred from their drivers. They believe as the driver drives the car they know well which one to fit in. We can see 50% truck tyres are fitted from the drivers' reference. Mechanics and shop owners are also important influencers for motor cycle owners.



**Figure: Source of reference**

After get to know, from where they had been referred for purchasing the tyre that they are currently using, I asked those particular persons to refer tyre brand for others. And surprisingly most of them referred the same tyre they are using. That means these special references are turning into preferences for them.



**Figure: Respondents reference**



However, from this study of truck and Motorcycle owners it is clearly showing that, drivers are the prime reference givers of this category. While customer purchasing a tyre they prefer to go with their reference and repeat purchase is also causing because of that. In tyre industry we can say that this reference is playing a vital role in consumer behavior and these reference are tend to turn into preference in near future.

### **Recommendation:**

- CEAT must arrange some engagement programs with the truck drivers.
- Arrange workshop for garage mechanic, drivers and Volker's.
- Set up more bill boards outside of Dhaka for product awareness.
- Need more skilled people to ensure after sales service.
- CEAT have to make good relation with the branded bus companies because they are major customers in the tyre market.
- As customers look for mileage and price, they should develop products considering these factors the most.
- Higher quality products shall be given to the customers for higher price.
- Car servicing tips through CEAT help line mobile service.
- CEAT must ensure the availability of the most demanded tyre sizes in every region.
- Create a good business relation with local office of TATA (Nitol Motors) & Ashok Leyland (Ifad Autos).
- Setup one stop customer service point.

## **Conclusion:**

Bangladesh is one of the growing economies of this South Asian region. Bangladesh's economy is growing on an average 6% percentage per year. Bangladesh has become second largest economy among the SARC and export reached to 30 billion dollar. To support and maintain the growth of the economy we need large amount vehicles. The tyre industry in Bangladesh has immense growth potential as economy is growing rapidly and demand of transportation vehicles are also increasing. The demand for the tyres are going up and up every year as more than 20000 thousand vehicles running in the Dhaka city alone. From this scenario we can get a glance of the growth potential of this industry. CEAT AKKHAN LTD. started its journey from 2012 and within very short period of time it has created position on the tyre market. It has expended its operation in five different regions. It has planned further expend with various marketing activities. One of the major advantages of CEAT is the quality of the product. By maintaining high quality and with proper marketing strategies it can secure large portion of the market. From this scenario and the recommendations as I have mentioned if CEAT makes a little bit improve in overall operation and its marketing activities I believe very soon become CEAT become one of the most leading player in tyre industry.

## References:

- A.K. Khan Company. Retrieved December 10, 2016, from <http://www.akkhan.com/ceat-ak-khan-bangladesh-ltd>
- Ramu, S. S. *Tyre Industry in India: Entry Pattern of Foreign Companies.*
- Key drivers of innovation in the tyre industry. (2014). *Nanotechnology and Tyres.*
- Palaniappan, A., & Velusamy, P. (2009). *Capital Structure, Liquidity and Profitability of Chemical Industry in India.* Prabandhan: Indian Journal of Management, 2(6), 44.
- Dhar, R., & Wertenbroch, K. (2000). *Consumer Choice between Hedonic and Utilitarian Goods.* Journal of Marketing Research, 37(1), 60-71.
- Swait, J. (1994). *A structural equation model of latent segmentation and product choice for cross-sectional revealed preference choice data.* Journal of Retailing and Consumer Services, 1(2), 77-89.
- Hasan, A. (2015). *Consumer Brand Preference for Consumer Durable Goods With Reference to Lucknow District.* International Journal of Economics & Management Sciences, 04(01).

## Appendix:

### Survey Questionnaire

**1. You are :**

- Male
- Female

**2. Your age :**

- 20 - 30
- 30 - 40
- 40 - 50
- 50 and above

**3. You live in :**

**4. What is your highest level of education completed?**

- Below SSC
- SSC
- HSC
- Graduate and above

**5. What type of vehicle do you have?**

- Passenger car
- Motor cycle
- Truck/Bus
- Auto rickshaw

**6. You are driving since –**

- 0 – 2 years
- 2 – 3 years
- 3 – 5 years
- 5 and above

**7. Which Tyre brand do you use now?**

- Dunlop
- MRF
- CEAT
- Apollo
- Others

**8. How often you change your vehicles tyre?**

- 6 months – 1 year
- 1 year – 2 year
- Over 2 year

**9. Does word of mouth influence your purchase?**

- Yes
- No

**10. Who told you about the current tyre you're using?**

- Friend
- Shop owner
- Driver
- Mechanic
- On your own

**Note:**

**11. What are the core factors you look while purchasing a tyre?**

- Price
- Mileage
- Brand name
- Availability
- Others :

**12. Are you satisfied with the current tyre?**

- Yes
- No

If No, Reason:

**13. Do you believe in “Higher price, the higher quality”?**

- Yes
- No

**14. Which brand would you like to suggest?**

- MRF
- CEAT
- Dunlop
- Apollo
- Others :

***Appreciate your Cooperation!***