

Internship Report on  
Analysis of Bangladesh tyre market perspective of



**Bangladesh Limited**

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**Subject: Submission of Internship Report**

Dear Sir,

With due respect, I would like to inform you that, I have completed three months internship program from CEAT Bangladesh Limited. In compliance with the fulfillment of the requirements of BBA program, I would like to present my internship report entitled “Analysis of Bangladesh tyre market perspective of CEAT Bangladesh Ltd” 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 heart out 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 Yours,



**Arfanul Hoque Shifat**

ID: 09304119, BRAC Business School

## 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 **Shamim E.Haque, Sr. Lecturer & Sr. Researcher of BRAC Business School** for proving me with the proper supervision with his valuable time.

I would like to thank all the officials of **CEAT Bangladesh Limited** 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 **Emon Gangopadhyay (Head of Marketing & Sales, CBL)** and other seniors who provided ever 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 dearest friend **Shams Adnan**.

## Executive Summary

This report provides an analysis of entire tyre market of Bangladesh perspective of CEAT Bangladesh Limited. For ease of understanding this report is segmented into six phase. First phase contains CEAT's overview, mission-vision, objective, values and other related issues. Next phase of the report demonstrates the job description, where I have completed my internship, my job nature, responsibilities, job performance, critical observations and recommendations. The third phase of this report is focused on the project summary, description, methodology, data collection, research method, sample design and limitations. The fourth phase contains the process details about the marketing approaches and activities of CBL. In the fifth phase some analysis & findings are shown. At the last phase, end up with some own recommendations, conclusion, references and included appendix.

CEAT Bangladesh Limited turning to establish themselves as a leading brand, currently they are in growth position. In Bangladesh mostly focused on truck-bus tyre segment. At present CEAT's placement extend to five different region likes- Dhaka, Bogra, Chittagong, Sylhet, Jossore. Mother warehouse located at Chittagong, main distribution operating from there.

Initially I find out the market share through vehicle fitment survey, then met with dealer to know their market potentiality and also met with big customers to know their brand preferences and other expectations. During my three months internship period I also worked in Bogra for the last one month. There I gathered 82 customers' data through direct and indirect communication. Also influenced 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 owner, driver.

CEAT forecast human resources for factory plant and developing other external setup. Try to ensure proper labor code of conduct.



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### List of Abbreviations

<b>Abbreviations</b>	<b>Full form</b>
CBL	CEAT Bangladesh Limited
TBR / TBR	Truck Bus Bias / Truck Bus Radial
LCV	Light Commercial Vehicle (Pick up car)
LM	Last Mile (CNG)
MC	Motor Cycle
PCR	Passenger Car
PR	Ply Rating
TTF	Tyre, Tube, Flap

**CHAPTER: 01**  
**The Organization:**  
**CEAT Bangladesh Limited**

## 1.1 Organizational Overview:

CEAT Limited is the second largest tyre manufacturer of India which produces different type of tyres for truck, bus, passenger car, bike, scooter and LCV (Light Commercial Vehicles) tyres. CEAT International was first established in 1924 at Turino in Italy and manufactured cables for telephones and railways. In 1958, CEAT came to India, and CEAT Tyres of India Ltd was established in collaboration with the TATA Group. In 1982, the RPG Group took over CEAT Tyres of India, and in 1990, renamed the company CEAT Ltd. Today CEAT has 6 tyre plants across India and have market share of 25% - 30% respectively in Indian tyre market. CEAT exports 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. It has also dedicated customer service, with customer service managers in all four divisional offices, assisted by 50 service engineers. In fiscal year 2010, CEAT did well to posting a 21% overall sales growth in there placement market for truck & bus tyres.

CEAT started their operation in Bangladesh by joint venture with A.K Khan in 2012. It is one the of first leading multinational tyre manufacturing company who are building a factory plant at Bhaluka, Maymensigh to produce heavy duty trucks & buses bias tyres included other segment bias tyres . A. K. Khan & Company 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. The deal marks one of the largest investments by an Indian firm in Bangladesh. The Company could 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 tires for the local and export markets in this 2014-15.

## 1.2 Mission & Vision:

To be amongst the most profitable tyre companies in India by 2016 through:

- Market Leadership in select categories in India.
- Market Leadership in significant countries outside India.

## 1.3 Objective:

CEAT has decided to expand its business and such has decided to enter into the Bangladesh tyre market. It's setting up a new manufacturing unit at Bangladesh which will start its productions from January 2015. During this period, CEAT needs to build up a brand image of its own. For this purpose, CEAT is banking heavily on the marketing and advertising activities which would pave the way for a better future in the Bangladeshi Tyre Market. The primary objective is to create Brand awareness among the target consumer group and build up a good perception among their minds.

## 1.4 Values:



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

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

**Integrity:** CEAT take responsibility for our actions and ensure its behavior matches our words. Being honest and transparent in our work is our continuous endeavor.

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

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

### 1.5 Core Values:

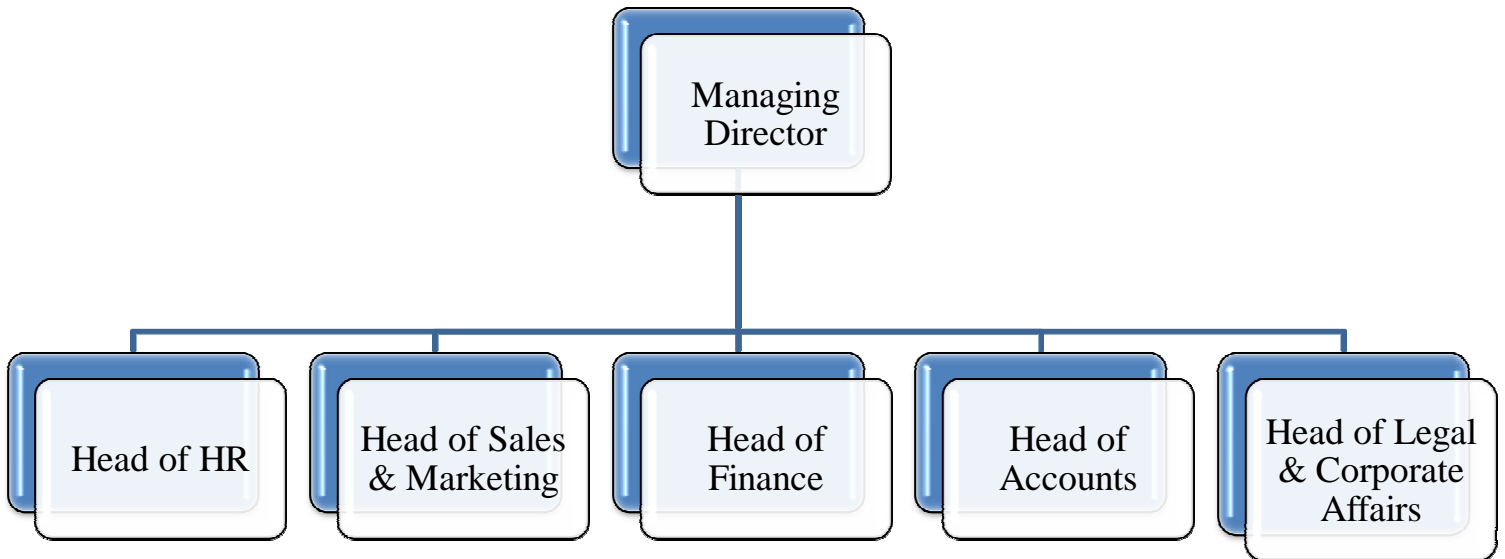
1. Create customer value.
2. Ensure dealer profitability.
3. Professional and transparent dealing.
4. Mutual respect between dealer and customers.

### 1.6 CEAT's Commitment Towards Customers:

- Ensure Value for Customers.
- Ensure to always provide High Quality Premium tyres.
- Ensure transparent policy and clear communication.
- Three years warranty for all manufacturing defects.
- Claim settlement directly from company in Bangladesh.
- Dedicated CEAT sales and service team at your doorstep.
- Committed to provide best services at all times.

### 1.7 CEAT's Organizational Structure:

CEAT Bangladesh is headed by Managing Director, Mr. Rajiv Kumar Jain. There are five departments headed by five individual directors. Each department is followed by others sub departments. Presently the company has the following departments at Dhaka Head Office:



### 1.8 Products offered by CEAT:

CEAT manufactures a wide range of tyres for various customer radials for Indian vehicles and caters to various user segments including-

- Heavy-duty Trucks and Buses
- Light Commercial Vehicles
- Tractors
- Trailers
- Cars
- Motorcycles
- Scooters and Auto-rickshaws



## 1.9 Achievements & Awards of CBL

It exports to over 130 countries across the world CEAT is the only tyre company to be awarded the ISO/TS 16949:2002 certification. It is also the 1st Indian tyre company to get a TUV certificate. Besides CEAT also received many other awards-

- CEAT wins Gold at the EFFIE Awards 2011 for Be Idiotsafe Campaign.
- CEAT wins Cause Marketer of the year award at CNBC Awaaz Consumer Awards 2011
- CEAT wins awards for Employer Branding and Best HR Practices for 2010
- CEAT receives Reader's Digest Trusted Brand Gold Award for 2009
- The 2007-08 Raid de Himalayas 2 wheeler Rally was won on CEAT Tyres
- CEAT was the no 1 in exports amongst all tyre companies in India. (Source: ATMA Report 2007-08)
- CEAT Shoppe wins Best Innovation Award 2007-08 (\* Franchisee Association of India)
- From a 2 wheeler tyre to a Car Tyre to a Giant OTR Tyre, CEAT makes the entire Range of Tyres.
- CEAT won the Employer Branding Award for "Excellence in Training 2007-08" (\*Awards by the Asia Pacific HR congress)
- CEAT has adopted a village "Tirad Seth", near Nasik as part of its CSR activities.
- ICQCC Distinguish award for Quality Circle in 2002 at Lucknow India
- NCQC Distinguish award for Quality circle in 2004 at Mumbai
- NCQC Distinguish award for Quality circle in 2006 at Kanpur India
- CCQC Mumbai Chapter Distinguish Award for Quality Circle in 2007

## 1.10 Manufacturing Facilities

CEAT are growing at an incredible pace.

- 1 manufacturing plant going to build in Maymensingh, Bhaluka, Bangladesh
- 4 manufacturing plants - 3 in India and 1 in Sri Lanka
- 10 outsourcing units for tyres, tubes and flaps
- 3 dedicated 2-3-wheeler plants controlled by CEAT

But CEAT are not resting on our laurels yet. Our hunger for growth continues with an upcoming plant and production of various PCR and TBR sizes for the Indian as well as export market. CEAT is looking at expanding its capacity from 9.4 Lacs tyres per month to 3 million tyres. For better deliverance, CEAT are working towards technical collaborations with leading tyre majors across the globe.

## 1.11 CEAT's Research & Development

Behind every successful product is a great research and development effort. At CEAT, 'long distance' is not just a term, it is the way they think and plan. Every innovative step is toward giving the customer a high-end product. Their research people are doing a great job at that since 1984. Every tyre that leaves our facility has been tried and tested for best performance, [They also have the approval of the Department of Scientific and Industrial Research (DSIR) on that]

Aided by modern design tools they can develop, test and process their products within a short time span. With this they are able to introduce better products to keep up with the evolving market needs. CEAT has always been avid propagators of advanced technology and with good reason. High tech processes enable them to presume the customers' needs and simulate their on-the-road experience, to create the perfect product.

**CHAPTER: 02**  
**Job Description**

## 2.1 Nature of the Job

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

- 1. Creating product awareness:** I met with different vehicle owners and inspect their vehicle, then make them conscious to care their tyres. Informing CEAT tyres features with given nearest CEAT authorized dealer contact.
- 2. Marinating customer relation:** Identify the potential customer, take note of their transport business condition, like- which tyre brands usage currently, how much or, weight they carry, type of application, how long distance run monthly, which route. Informing them about the CEAT plant and their future goals.
- 3. Create customer database:** Compile all scattered customer data for make a proper database. This works as my report to present my line manager. After basis on this report management find out the potential customer and cluster them through their transport business involvement.
- 4. Communicate information between dealer and management:** Accumulate dealer condition and their feed back or, if any objections arise then inform to CEAT management immediately.
- 5. Arrange customer interactive program:** CEAT arrange customer interactive program for automobile owners and drivers to provide tyre technical knowledge and inform other aspect of CEAT tyres.

## 2.2 Specific responsibilities of the Job

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

**Market Research:** Firstly find out the proper identification of tyre brand usage rate was the prime concern, this survey called fitment survey, which contains vehicle number, vehicle maker, tyre size, ply rating, tyre category (bias/rear), tyre brand name etc. In Dhaka city, I have visited Jatrabari Truck Stand, Tejgaon Truck Stand, Tongi-Gazipur Truck Stand, Komlapur Truck Stand for conduct this tyre spotting and fitment survey. Besides that, I visited Bogra, and surveyed matidhali biman mor truck garage.

**Dealer Mapping:** In Dhaka city, I have visited Mirpur (kafrul, 11, 12), Banglamotor, Uttora, Shaymoli, Mohammadpur, Dhanmondi, kolabagan, Mohakhali, Gulshan and Tongi for dealer mapping and inform them about CEAT factory plant. Moreover, I also identified their storage brand preferences and dealing companies. For PCR (Passenger Car) tyre segment the main importer companies are: Eastern Motors, Rahimaafrooz and BT Limited.

**Maintenance Support:** Provide maintenance support to CEAT and Non-CEAT customers through keen inspection. Handover an entire report on usage tyre condition, there contains air pressure extent, rubber amount. Given a proper suggestion about air storage, tyre rotation and which bead tyre is suitable according to weight. Recommend the civil, army and multi bead according to suitable PR (Ply Rating).

**Potential Customer Identification:** Through the market research I tried to identify new segment of potential customers and approach them with attractive offers and benefits. I tried to convince them about CEAT products and technically show them how they can save money by using our products. This survey named 'Adobe Mileage'.

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

## 2.3 Different aspect of job performance:

It was an extensive learning prospect throughout the three month internship period. To involve with tyre business it's also helps to know the transport business scenario of Bangladesh. Professional attitude grow by involved with practical business obstacles.

### 1. Good Promotional Skill:

There are many ways for performing a job successfully. My job was to promote CEAT products toward customers and market research as well. I had to make new ideas and plan what a customer can come to know about the product and get influence to buy it.

### 2. Good Communication Skill:

Communicating with people in a good manner is the most important quality of an employee. As I was promoting the product I had to talk with lots of people. I visited many tyre shops, tyre fitter store, truck garage, vulcanize house, lubricant shop and talked with many mechanics. So customers was impressed with my communication skill and responded a lot. In CEAT I had also a very good relation with everyone and got a good opportunity to know about the corporate system.

### 3. Positive Attitude:

Positive attitude is the most important key factor of job performance. Positive attitude can attract customer. While convincing someone one might give positive response, another might give negative response. But as a marketer we have to handle the situation in a positive manner. Moreover, in the office I always tried to work in a positive way, showed interest in work and focused on what are the customer's needs and wants.

**4. Time management skill:**

Punctuality is one of the superior attribute of a good employee. Though I am not good at all to maintain this manner, but I tried to maintain my commitment when I taken an appointment with dealer or, customers. Sometimes managing time was got difficult when previous day's overloaded pressure make me late to reach home, then ultimately its impact on next working day. If we finish our day to day work then it becomes so easier. Through this internship period I became more efficient and learned to make the best use of time.

**5. Good team work:**

Working in a team sometime it makes the work easier and sometimes it become so hard to work. I really like teamwork because I felt confident when work in group. My line manager was very helpful and supporting not only to permanent employee but also to the interns.

**6. Stress management skill:**

Managing all the work under pressure is part of job. Whatever the situation is we can't show our problem or stress to our office and have to complete the work properly. Doing internship in CEAT my stress management skill also increased.

**7. Multiple task management skill:**

As I was promoting the tyres so for promotional material I collected testimonials from CEAT users at Tejgaon area, gathered feedback from CEAT dealer, tyre fittings in different vehicles. By doing all these things I also got some multi task talent. Before sale and after sales service both now provided by one sales personnel.

## 2.4 Critical Observation & Recommendation:

From my observation and firsthand experience I have few suggestions to make this more efficient-

### **Critical observation:**

1. Customer satisfaction: Customer satisfaction is more important for any business. In CEAT Bogra region it's not meet as per required, because of lack of customer service support. Need to set up more potential dealer in whole North Bengal.
2. Product Positioning: Tyre is essential part of automobile. To beat the competitors CEAT need to positioning their product more effectively, in that case dealer satisfaction have to meet up to mark. More reward need to incorporate basis on their performance.
3. Focusing PCR and Price: CEAT Radial tyre price need to follow penetration strategy. Also need to focus 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 more specify.
- Increase collaboration with others department employee.
- Online payment need to be initiated for dealer.
- Create a good business relation with local office of TATA (Nitol Motors) & Ashok Leyland (Ifad Autos)
- Organizational structure need to develop in other region, like- Bogra, Chittagong, Shylet, Jossore. Only sales division set up is not adequate.
- In terms of customer conversion, 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.
- Avoiding any kind of biasness in the work place.



**CHAPTER: 03**  
**The Project**

### **3.1 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 Bangladesh Ltd. The topic of the research is "Analysis of Bangladesh tyre market perspective of CEAT Bangladesh Limited". This research enlarges the understanding about the tyre industry of our country. The research also helps CEAT Bangladesh Ltd. by providing them the whole scenario of the tyre industry.

### **Description of the project:**

#### **3.2 General objectives:**

The project aims to find out current tyre market situation in Bangladesh and provide a clear picture in front of the reader. CEAT Bangladesh LTD. is relatively new in this highly contested tyre industry of Bangladesh which is mostly dependent on import. The reasons behind my project are:

- What is nature of tyre industry in our country?
- How big the tyre industry in our country?
- The number of tyre companies operates in our country?
- Who are the market leaders?
- What are the current market shares among the companies?
- What is current market trend?
- Who are the main customers?
- What are the competitor marketing strategies?
- How promotional activities conducted?

### 3.3 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.
- Understanding competitors marketing strategies
- To identify strategies of CEAT Bangladesh LTD to counter competitors.
- Conducting market survey to identify market condition
- To identify proper market segmentation
- Consumer buying behavior
- Promotional activities of CEAT Bangladesh.
- To understand the communication process among dealer, consumer and the company.
- To find out how they provide after sales service to customers.

### 3.4 Scope of the study:

The scope of the report is tried to find out the potential information for the purpose of analyzing and presenting current market scenario to the reader. This report focuses on CEAT Bangladesh LTD current market position and prospect of the future growth. The study is very much limited to Dhaka City and Bogra due to time and recent political unrest.

### 3.5 Methodology:

With a view to conducting a research study, what is necessary is to design the framework and select the appropriate research 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. On the other hand, the research methodology is a way to systematically solve the research problem. Methodology means the underlying principles and rules of organization of a philosophical system or inquiry procedure.

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.

### 3.6 Data Collection:

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

- I. **Primary Data:** Primary data has been collected through filament survey. Beside that information collected through personal interviews of the dealers, truck-bus owners and drivers.
  
- II. **Secondary Data:** Important sources of secondary data for conducting this research were:
  - Head office marketing and sales guideline.
  - Previous data analysis reports.
  - Some unpublished information.
  - Relevant business research books.
  - Official website of CEAT.

### 3.7 Research Method:

For completing this study I have used expletory research under the qualitative method. In the purpose I have used both survey and personal interview.

### 3.8 Sample Design:

Sample design consist of three parts-

a) **Sample size:** For the purpose of study we have determined sample size is 475.

b) **Sampling frame:** For sampling In Dhaka city, I have visited Jatrabari Truck Stand, Tejgaon Truck Stand, Tongi-Gazipur Truck Stand, Komlapur Truck Stand. Besides that, I visited Bogra, and surveyed matidhali biman mor truck garage.

c) **Sampling Technique:** Probability sampling technique is used for this research and correspondents were chosen randomly.

### 3.9 Interpretation:

The data was analyzed and interpreted by using the Microsoft Excels which is familiar to all.

### 3.10 Limitations:

I have tried my best to provide with all necessary information's about CEAT Bangladesh Limited but due to the exhaustive nature of this study I am not able brought in this report. This report is subject to the following limitations:

- ✓ Time constraints and Political unrest.
- ✓ Finding the correct respondents was difficult.
- ✓ In most cases respondents were not co-operative.
- ✓ Extensive traveling within short time created physical challenge.
- ✓ Unities of command from superiors are not always followed.
- ✓ Communication problem between dealers and sales persons due to proper information.
- ✓ Many procedural matters were conducted directly in the operations by the top management level, which may also gave some sort of restrictions.
- ✓ Information about current market growth are very hard to find.
- ✓ Very little chance in participation in any decision making process.
- ✓ Lack of personal knowledge about tyre industry.

**CHAPTER: 04**  
**The Process of**  
**CEAT Bangladesh Limited**

## 4.1 Marketing Mix:

Marketing mix is a broad concept which includes several aspects of marketing which related to creating awareness and customer loyalty. The term is often summarized as referring to the "four P's". So, marketing decisions generally fall into the following four controllable categories, which are known as 4ps:

- Product
- Price
- Place (distribution)
- Promotion

Marketing decisions can also be taken by unique marketing tool known as 4cs, which are:

- Consumer
- Cost
- Convenience
- Communication

4ps and 4cs can be related to each other for implementing any marketing plan. Products are for customers' satisfaction in fulfilling their wants and needs. The price is the cost a customer pays for the product. Place is a way of getting the product to the consumer and/or how easily accessible it is to consumers for their convenience. Promotion is the communication link between sellers and buyers for the purpose of influencing, informing, or persuading a potential buyer's purchasing decision. So, organizations need to produce right product, sold at the right price, in the right place, and use the most suitable promotion in order to be successful in the market.

**Product:**

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

Category	Tyre Size & Pattern Name
<b>Truck / Bus (Bias Tyre)</b>	10.00-20 16PR LUG XL PRO
	10.00-20 16PR MILE XL
	10.00-20 16PR MILE XL RIB
	10.00-20 16PR MILE XL SL + SD
	9.00-20 16PR MILE XL RIB
	9.00-20 16PR MILE XL
	9.00-20 16PR MILE XL SL + SD
	8.25-20 16PR Mile XL Rib
	8.25-20 16PR MILE XL
<b>LCV (Light Commercial Vehicle) Tyre</b>	7.00-15 10PR BULAND MILE XL RIB
	7.00-15 12PR BULAND MILE XL
	7.00-15 12PR HT80
	7.00-16 14PR BULAND MILE XL RIB
	7.00-16 14PR BULAND MILE XL
	7.50-16 16PR BULAND MILE XL
	7.50-16 16PR BULAND MILE XL RIB
	7.50-16 16PR HT100
	8.25-16 16PR BULAND MILE XL
	8.25-16 16PR BULAND MILE XL RIB
<b>PC (Passenger Car) Tyre</b>	155/80 D 12PR ANM RIB
	145/70 R 12 MILAZE TL
	175/70 R13 Milaze TL
	185/70 R 14 MILAZE TL
	205/65 R15 RHINO
<b>MC (Motorcycle) Tyre</b>	100/90-18 VERTIGO SPORT
	100/90-17 55P VERTIGO SPORT



	120/80-17 VERTIGO RAGE
	3.00-17 6PR CEAT GRIPP
	3.00-17 6PR SECURA SPORT
	3.00-17/6 Milaze
	3.00-18 6PR 52P CEAT GRIPP
	3.00-18 6PR 52P CEAT ZOOM
	2.75-18 CEAT GRIPP
	2.75-18 6PR 48P CEAT ZOOM R
	275.17 6PR SECURA Zoom F
	2.50-18 4PR SECURA F67
<b>AR (Auto Ricksaw) Tyre</b>	400.8 6PR BULAND
	4.00-8 6PR 76E AUTORAJA
	4.50-10 8PR ANMOL RIB
	4.50-10 8PR ANMOL SL
	5.00-12 10PR 82J ANMOL SL
	5.00-10 8PR 89E ANMOL LUG
<b>Scooter</b>	3.50-10 /4PR SECURA



## Product Segmentation:

- I. Tyres can be classified into two main types on the basis of vehicle categories - commercial vehicle tyres and passenger vehicle tyres.
- II. Commercial vehicle tyres include medium and heavy commercial vehicles (MHCV), light commercial vehicle (LCV) and tractor tyres.
- III. Passenger vehicle tyres include car, jeep, motorcycle and scooter tyres.
- IV. The share of these vehicle segments in the total tyre market has changed significantly over the past 15-20 years, with the share of passenger vehicles increasing and that of commercial vehicle tyres declining.



### **Pricing Strategy of CEAT:**

In this competitive market CEAT following skimming pricing strategy. At present CEAT still importing the tyres from India, therefore they cannot able to follow lower pricing strategy. But they will turn to low price strategy, when their production start here in Bangladesh manufacturing plant.

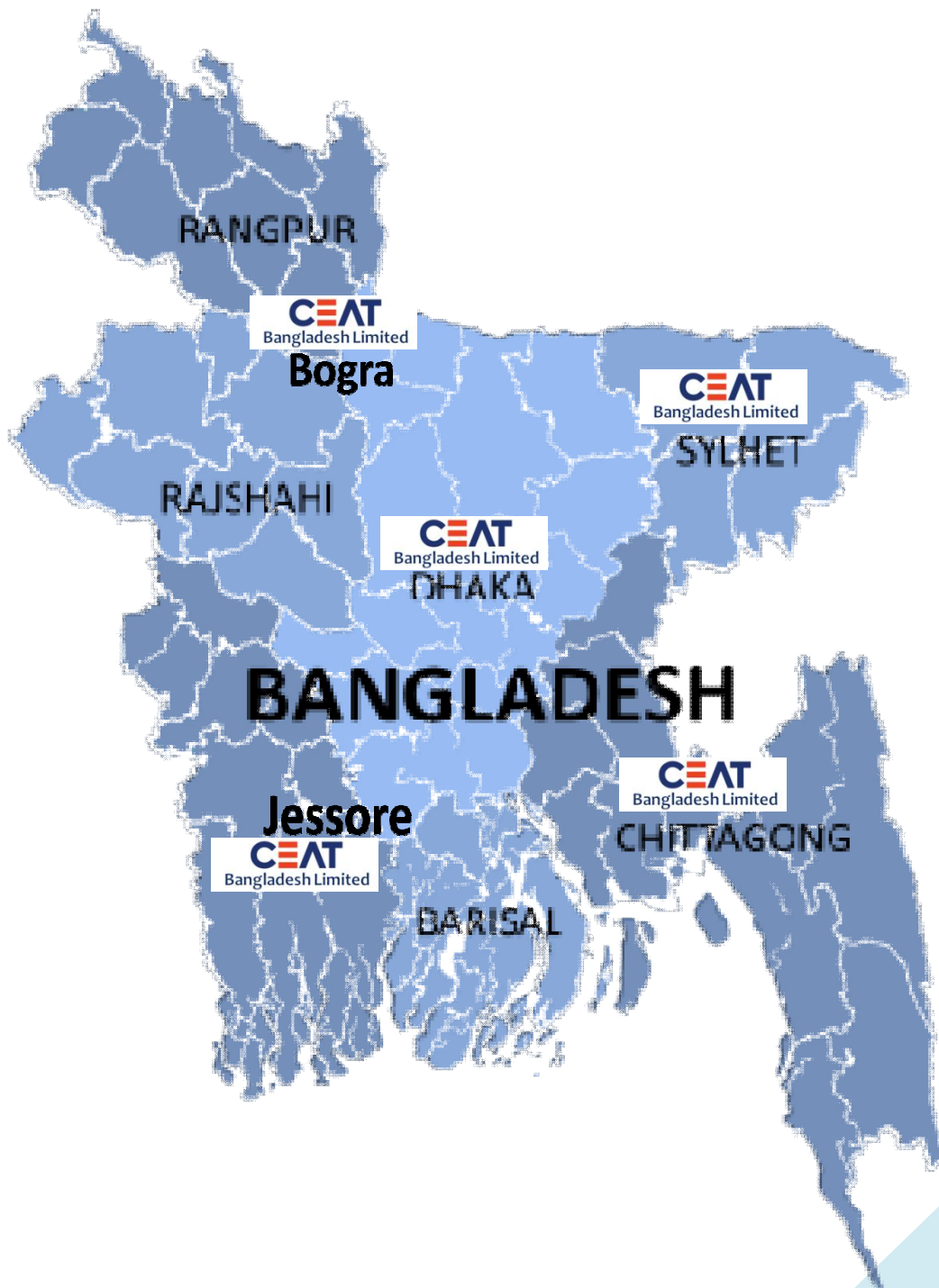
CEAT BANGLADESH LIMITED LIST PRICE EFFECTIVE FROM 1ST MARCH' 2013							
CATEGORY	SL NO	SIZE	PR	PATTERN	SETS	TYPE	LIST PRICE
TRUCK BUS BIAS	1	8.25-20	16	MILE XL RIB	TTF	RIB	21100
	2	8.25-20	16	MILE XL	TTF	LUG	23750
	3	9.00-20	16	MILE XL RIB	TTF	RIB	25500
	4	9.00-20	16	RT SUPER	TTF	SEMI LUG	26500
	5	9.00-20	16	MILE XL	TTF	LUG	26750
	6	10.00-20	16	MILE XL RIB	TTF	RIB	28000
	7	10.00-20	16	MILE XL RIB PRO	TTF	RIB	28500
	8	10.00-20	16	RT SUPER	TTF	SEMI LUG	29000
	9	10.00-20	16	MILE XL	TTF	LUG	29500
	10	10.00-20	16	LUG XL PRO	TTF	LUG	29750
	11	10.00-20	18	FM SUPER	TTF	RIB	29200
	12	10.00-20	18	HCLSUPER HL	TTF	LUG	30000
	13	10.00-20	18	RD PRO	TTF	LUG	31000
LCV	1	6.50-14	10	RIB XL	TT	RIB	9500
	2	6.50-16	10	FM SLEEK	TT	RIB	9000
	3	7.00-15	10	BULAND MILE XL RIB	TT	RIB	12500 ..
	4	7.00-15	12	HT 80	TT	SEMI LUG	12700
	5	7.00-15	12	BULAND MILE XL	TT	LUG	12900
	6	7.00-16	14	BULAND MILE XL RIB	TTF	RIB	12800
	7	7.00-16	14	BULAND MILE XL	TTF	LUG	13000
	8	7.50-16	16	BULAND MILE XL RIB	TTF	RIB	13800
	9	7.50-16	16	HT100	TTF	SEMI LUG	14100
	10	7.50-16	16	BULAND MILE XL	TTF	LUG	14400
	11	8.25-16	16	BULAND MILE XL RIB	TTF	RIB	16200
	12	8.25-16	16	BULAND MILE XL	TTF	LUG	16700

<b>last Mile</b>	1	4.50-10	8	ANMOL RIB	TT	RIB	3600
	2	4.50-10	8	ANMOL SL	TT	SEMI IUG	3800
	3	5.00-10	8	ANMOL LUG	TT	LUG	4500
	4	5.00-12	8	ANMOL SI	TT	SEMI LUG	4600
	5	155/80 D12	8	ANMOL RIB	TT	RIB	4600
<b>Autorickshaw</b>	1	4.00-8	6	BULAND	TT	RIB	2200
<b>Passenger Car Radial</b>	1	145/70R 12		MILAZE	TL	ALL WHEEL	3400
	2	175/70R 13		MILAZE	TL	ALL WHEEL	4800
	3	185/70R 14		MILAZE FI	TL	ALL WHEEL	5100
<b>Motorcycle</b>	1	2.50-18	4	SECURA F 67	TT	FRONT	1600
	2	2.75-18	4	SEC F 85	TT	FRONT	1950
	3	2.75-18	6	SECURA SPORTS	TT	REAR	2000
	4	2.75-18	6	CEAT GRIP	TT	REAR	2200
	5	2.75-18	6	CEAT ZOOM R	TT	REAR	2200
	6	3.00-18	6	SECURA ZOOM	TT	REAR	2400
	7	3.00-18	6	SECURA SPORTS	TT	REAR	2300



**CEAT's Product Placing Strategy:**

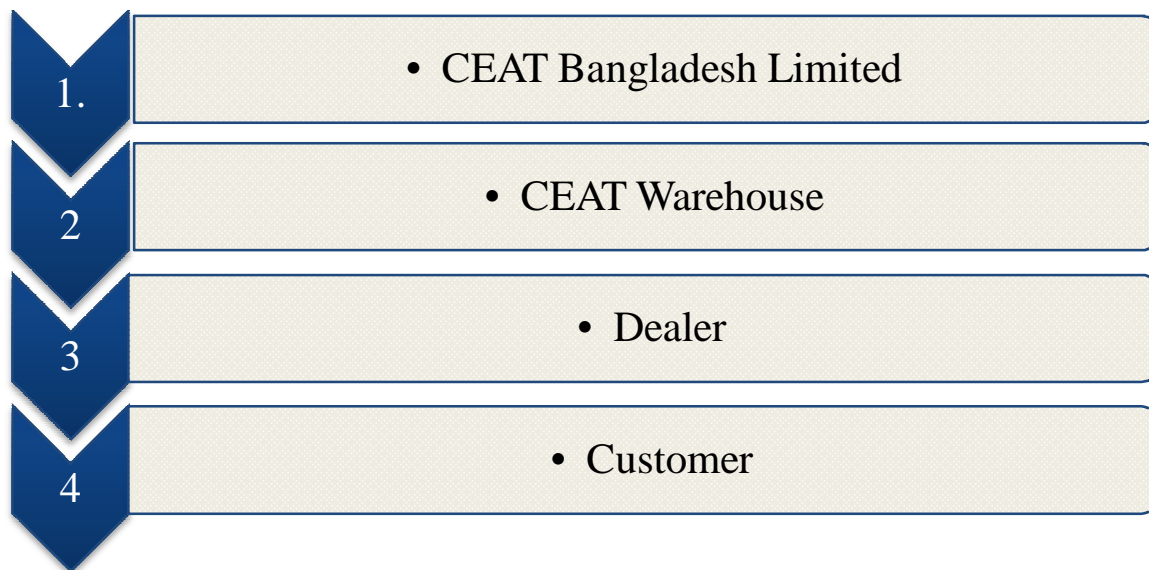
Product placing is one of the key elements of marketing mix. To the large extent the success of the business depend on putting the right product at right place at price at right time. After establishing CEAT Bangladesh Ltd on 2012, it has developed placing strategy based on target market. Based on CEAT Bangladesh target market it has divided the market in five different regions such as Dhaka, Chittagong, Joshore, Sylhet and Bogra.



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

- To fulfill consumers demand
- To ensure right product at right time at right place
- To reduce inventory cost
- To ensure proper distribution of products

The company maintains his entire selling activities through the dealers which is strategically located. CEAT Bangladesh Ltd avoids direct selling and does not have any showroom or outlet.



## **CEAT Bangladesh's Competitive Promotions:**

In the 21<sup>st</sup> century business environment promotion plays vital role in insuring organization success. By effective promotion organization can communicate with the customers and create a link between buyers and sellers. Promotion helps to inform people about the products and services and creates demand for the products which ultimately lead to purchasing decision.

### **CEAT Bangladesh LTD Promotional Mix:**

In order to achieve CEAT Bangladesh Ltd intended growth it has come up with effective promotional tools. The promotional mix has been intended to achieve sales increase, increase profit margin, Creation of Brand equity, product awareness etc. CEAT promotional mix targets five main aspects of a promotional mix.

#### **Advertising**

For making people aware of the products and to achieve growth CBL using various advertisement tools. For example- bill board or wall painting bus at 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 peruse prospective customers. Through a talented and energetic sales force CBL conduct its sell penetration. Beside that it also arrange sales training programs for the dealers and sales meeting with bus-track owners.

#### **Sales Promotion:**

For sales promotion CBL give rewards to the dealers based on sales performance such as foreign tour, Laptop, mobile set etc. Beside that company provides-



- **Sales Advance incentive:** A dealer will be eligible for a “Sales Advance Incentive “of up to 18% per annum on his “Sales Advance Deposit” provided he does a minimum of 2 rotation per quarter of his “Average Sales Advance Deposit for the quarter “.
- **Turn over Discount (TOD):** A dealer will be eligible for TOD at 1% on the pre-tax invoice values (Nett 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.

**Public Relation:**

CBL right now does not have begun its public relation programs. It is soon going to launch a TVC and made charitable contribution in social welfare.

**Direct Marketing:**

CBL is developing online display ads, fliers, catalog distribution, promotional letters, and outdoor advertising.

## 4.2 Customer Service & Warranty level:

CEAT provides customer service not only after sales before sales in addition. And currently warranty level extends to two years from six months (its effective from the tyre manufacturing date).

Following things are considered under customer service observation

1. Regular tyre inspection.
  - a. Rubber quantity check
  - b. Air pressure check up
  - c. Scrap inspection
2. Submit proper feedback to vehicle owner (paper report with suggestion).

Warranty level ensure money back guaranty in case of air inflation to any of usage tyre.

# Suppose,

One of the customer purchase 10.00-20 Mile XL Rib 16PR, (this tyre contains 20 mm rubber). During the usage it's affected by air inflation within 2 years from the manufacturing date. Then that customer will get the money back based on rubber usage quantity.

### 4.3 Market Segmentation:

Segmenting market is one of the prime wings of marketing. A company needs to identify the market segments it can serve effectively. A market segment consists 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 target. Segment marketing offers several benefits over mass marketing. The company can more easily select the best distribution and communications channels. Segmentation is dividing the market into segments based on geographical, demographical, psychological or behavioral variations.

**I. CEAT focus 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.

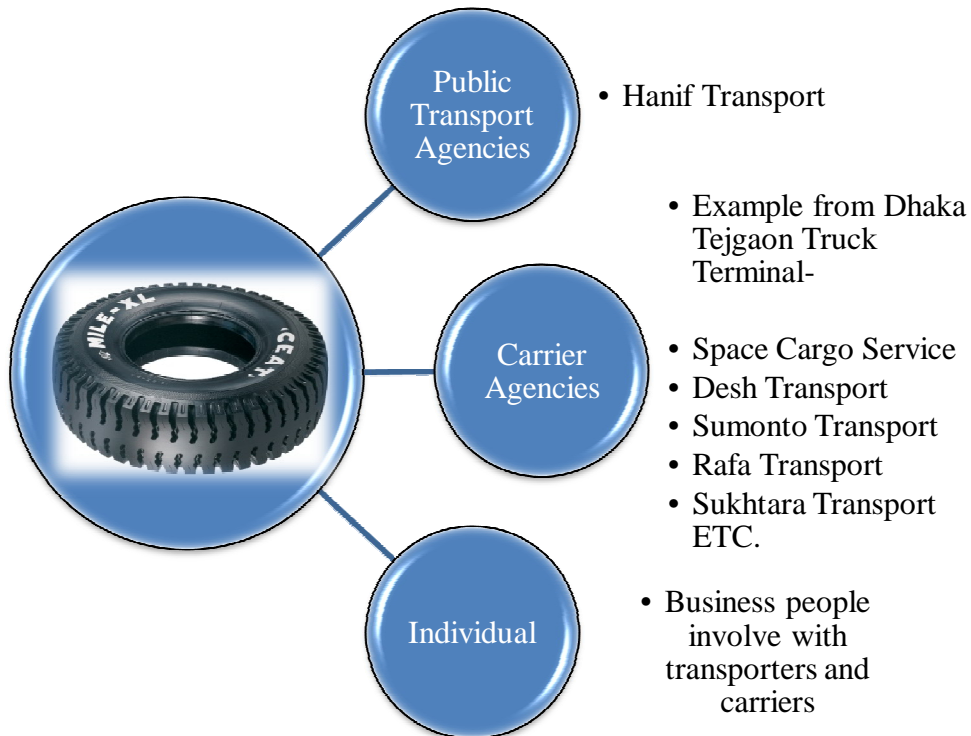
**Readiness Stage:** Unaware, aware, informed, interested, desirous, intending to buy.

**II. CEAT focus on regional districts under the demographical segmentation. They expend their operation in 5 different regions, like-**

1. Dhaka.
2. Chittagong.
3. Bogra.
4. Sylhet.
5. Jossore

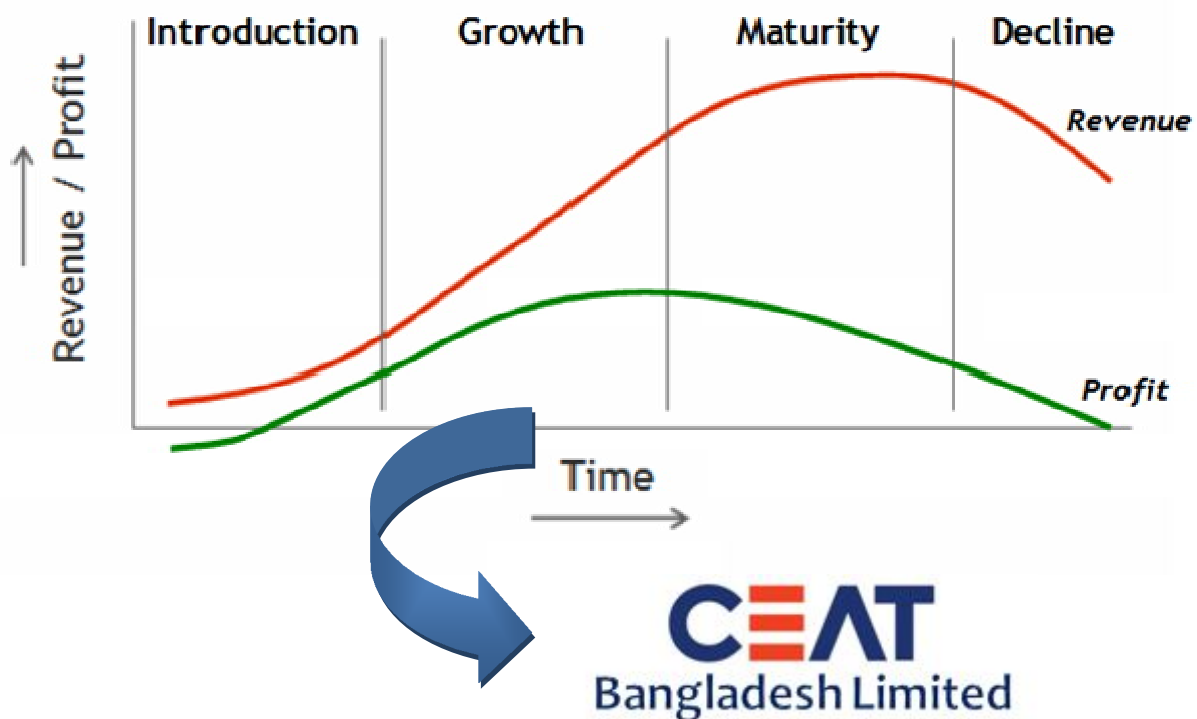
### 4.4 Target Market:

In Bangladesh tyre market is so competitive. Below mentioned a diagram where categorize CEAT's target market-



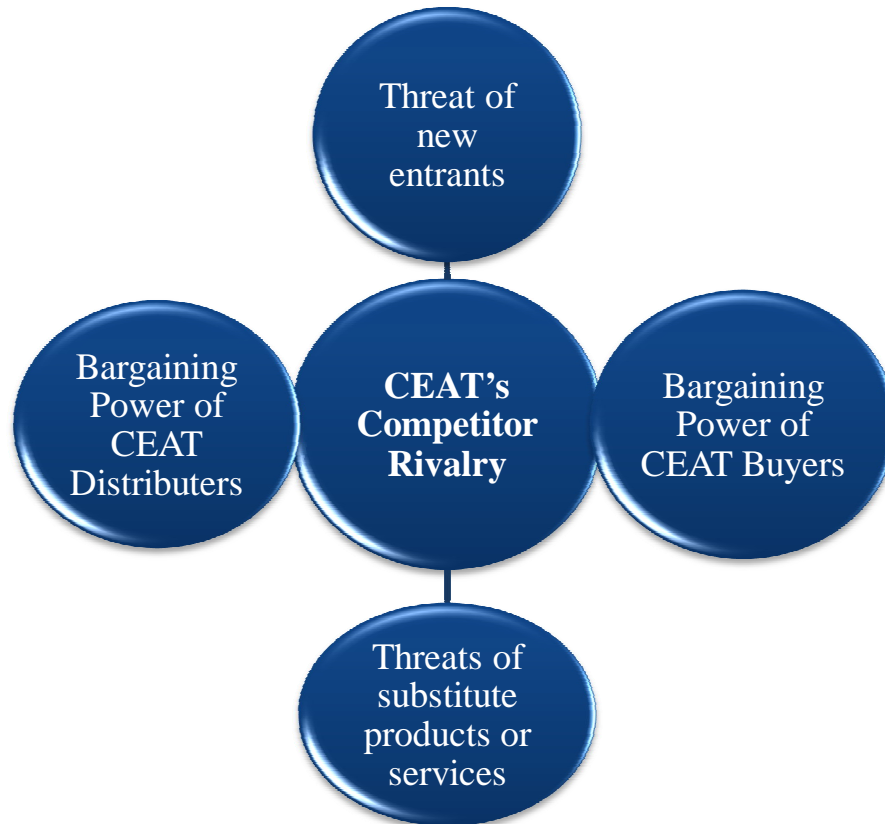
#### 4.5 Product Life Cycle:

CEAT Bangladesh currently is in a growth stage. For any manufacturer this is the key stage for establishing a product's position in a market, increasing sales, and improving profit margins. This is achieved by the continued development of customer demand through the use of marketing and promotional activity, combined with the reduction of manufacturing costs. CEAT's operations maintaining this require line to turn them in mature position in tyre industry of Bangladesh.



## 4.6 Porter's fives forces model analysis

Porter's fives forces model is an excellent model to use to analyze a particular environment of an industry. In this model five factors are analyzed to get idea about the industry environment. These factors are:



**• CEAT's Competitor Rivalry:**

There are other existing companies serving this tyre which cause competition to CBL. CEAT's foremost competitors are MRF, Continental, Apollo, Birla, CST, Maxxis etc.

**• Bargaining Power of CEAT Distributers:**

Here the bargaining power of distributors is very low as all the products are imported directly by company CBL own, therefore company deals with distributes with a proper agreement where contains price, discount range, yearly benefits and others related issues.

• **Bargaining Power of CEAT Buyers:**

There are different tyres available in the market. So, the buyers bargain power is also higher. If buyers do not like CEAT product they can easily move to another brand.

• **Threats of substitute products:**

There is no substitute of tyre; this is not an automobile accessory. It's an essential part for every vehicle.

• **Threat of new entrants:**

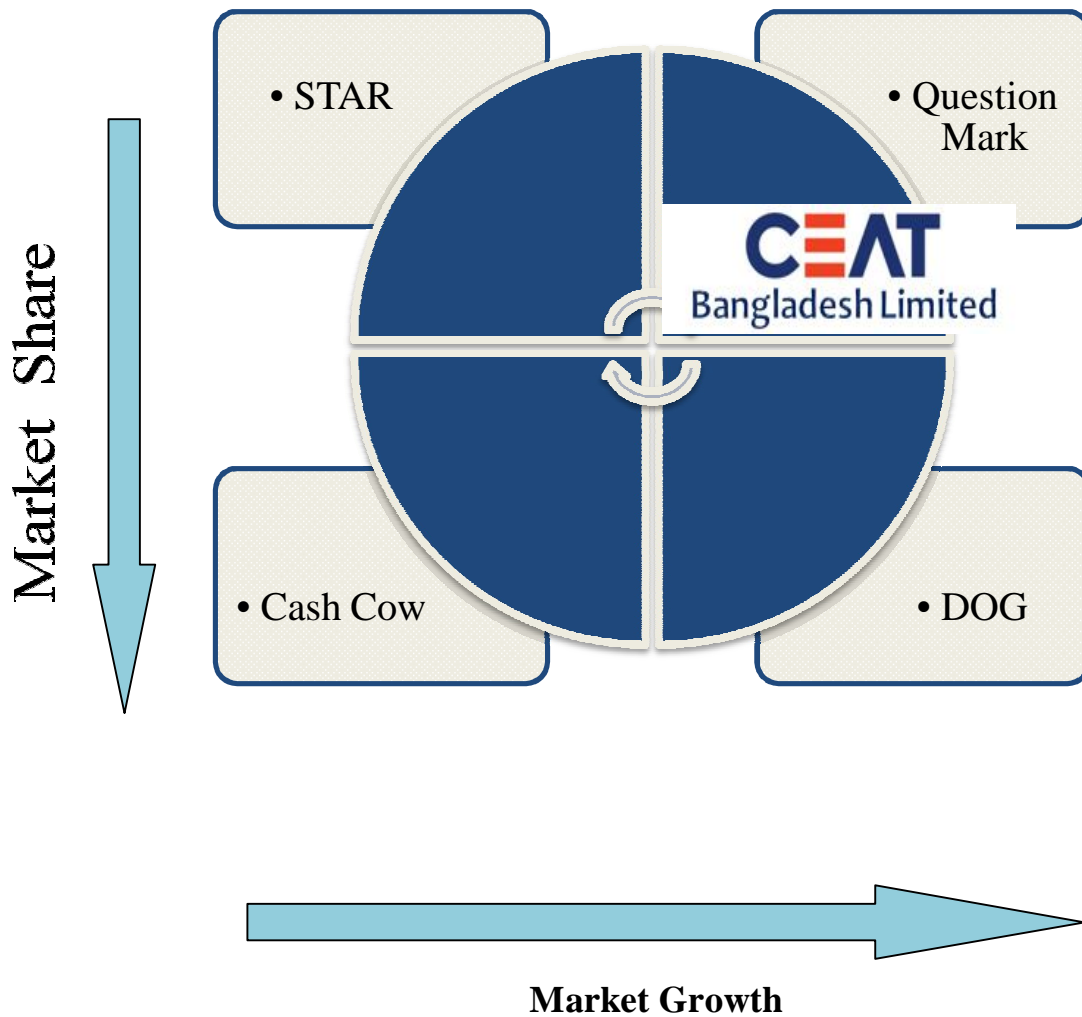
There are many Chinese companies importing different tyres and provide with lower price, thus it's become a big threat issue for CEAT. But there is very lower possibility to enter new tyre company with manufacturing factory plant. Existing two local companies like Gazi and Hussain may pinpoint as threat by expand their product line for truck-bus and introduce new radial tyre.

#### **4.7 Product Positioning (BCG Matrix Analysis):**

A Boston Consultancy Group (BCG Matrix) model is a simple conceptual framework for resource allocation within a firm. It suggests that organizations should have a healthy balance of products within their range. This product portfolio matrix classifies product lines into four categories.

CEAT's market share is very low in this Bangladesh tyre industry. However, it has a huge market growth according to the company. So, it can say that CEAT tyre is currently question mark position in the BCG (Boston Consultancy Group Model) Matrix.

The Boston Matrix below shows the product position of the company CBL:



Question marks, which means as CEAT is growing rapidly and thus consume large amounts of cash, but because they have low market shares they do not generate much cash. The result is large net cash consumption. The organization has the potential to gain market share and become a star, and eventually a cash cow when the market growth slows. If the company does not succeed in becoming the market leader, then after perhaps years of cash consumption it will degenerate into a dog when the market share declines. As CEAT fall under the Question Marks

in The Boston Matrix, so must be analyzed carefully in order to determine whether company are worth the investment required to grow market share.

#### 4.8 SWOT Analysis of CBL

Strengths and weaknesses are the micro environmental factors influencing a business which are within the organization. Opportunities and threats are the macro environmental factors that influence all the firms in the industry. They are present in the whole industry. The following figure shows the strengths and opportunities of CBL.

<p><b><u>Strengths</u></b></p> <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>	<p><b><u>Weaknesses</u></b></p> <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>
<p><b><u>Opportunities</u></b></p> <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>	<p><b><u>Threats</u></b></p> <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>



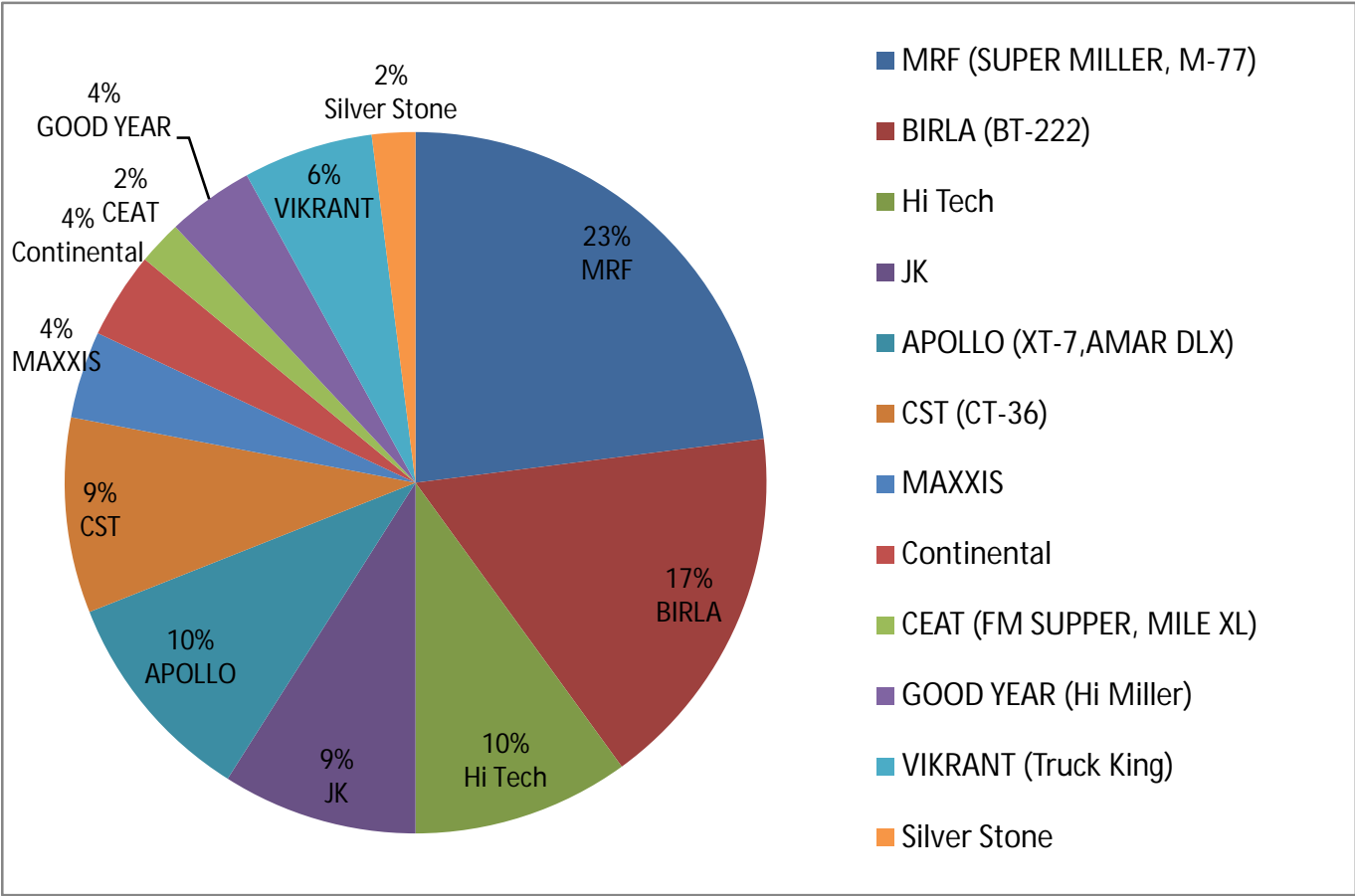
**CHAPTER: 05**  
**Findings & Analysis**

## 5.1 Findings- Dhaka:

In Dhaka city I have done tyre spotting, vehicle fitment survey, dealer observation, product familiarization and customer interaction.

I found 2% CEAT users among from other existing brands. Indian brand MRF currently the market leader. There are five major players from Indian tyre industry- MRF, Apollo, JK, Birla and CEAT. MRF and BIRLA they contribute around 80 per cent of the total domestic market in tonnage terms. All the five major players have significant presence in commercial vehicles segment, followed by passenger cars. In terms of overall market share, MRF is the leader, however, MHCV category which contributes more than 50 per cent to total production is led by Apollo Tyres. While moderate growth and profitability of the industry reduce incentives for entry of new players, strong distribution network of existing players and pre-dominance of cross-ply tyres (except for car tyres) act as entry barriers for some of the interested multinational companies.

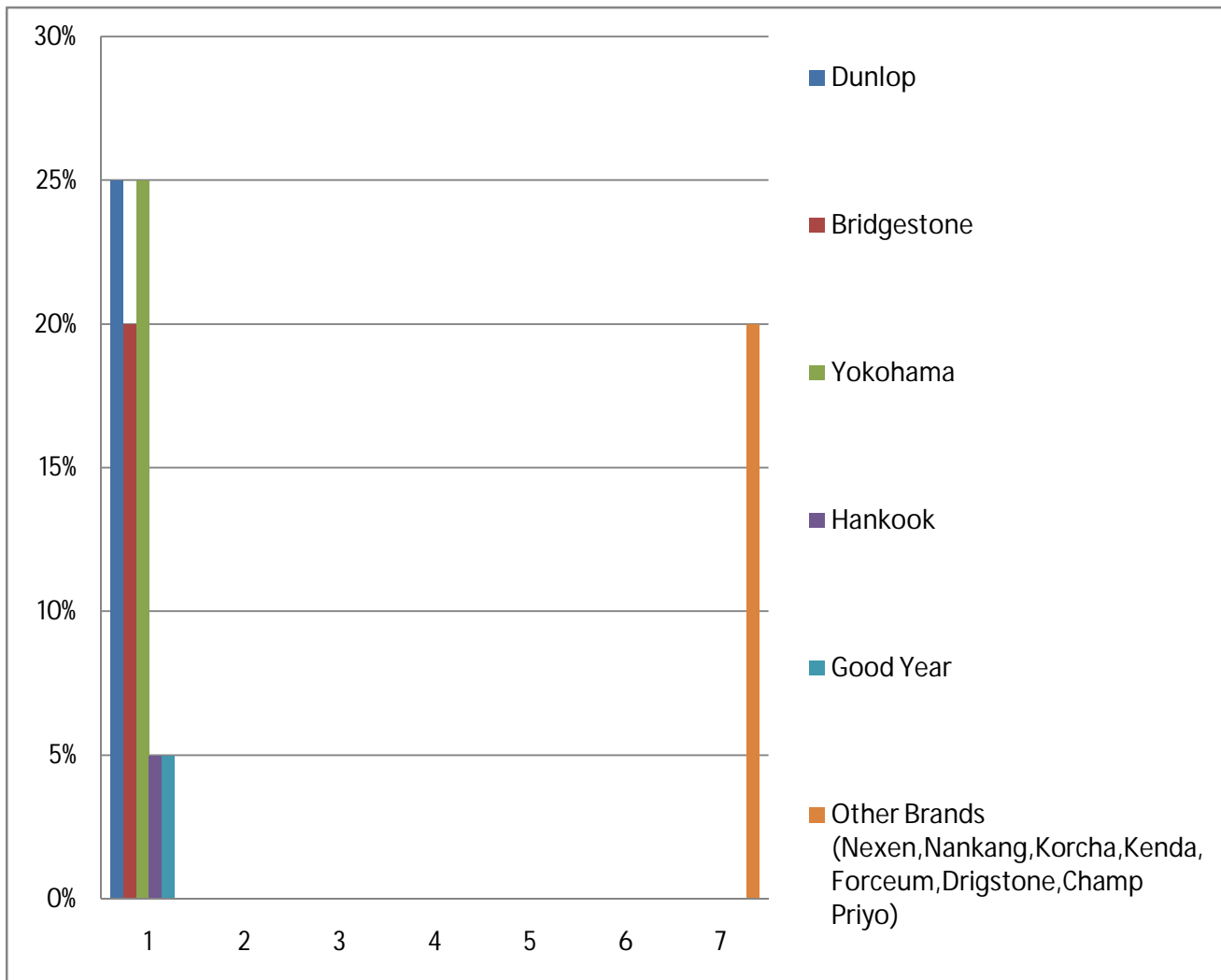
However, since the last year, the demand of Chinese bias and radial tyre has increased, thus purchasing interest levels of buyers now become lower.



**Figure: Tuck tyre market share in Dhaka**

**PCR (Passenger car tyre) main importer**

- ▶ Eastern Motors- Bridgestone
- ▶ Rahimafrooz- Dunlop
- ▶ BT Limited – YOKOHAMA, Some other brands

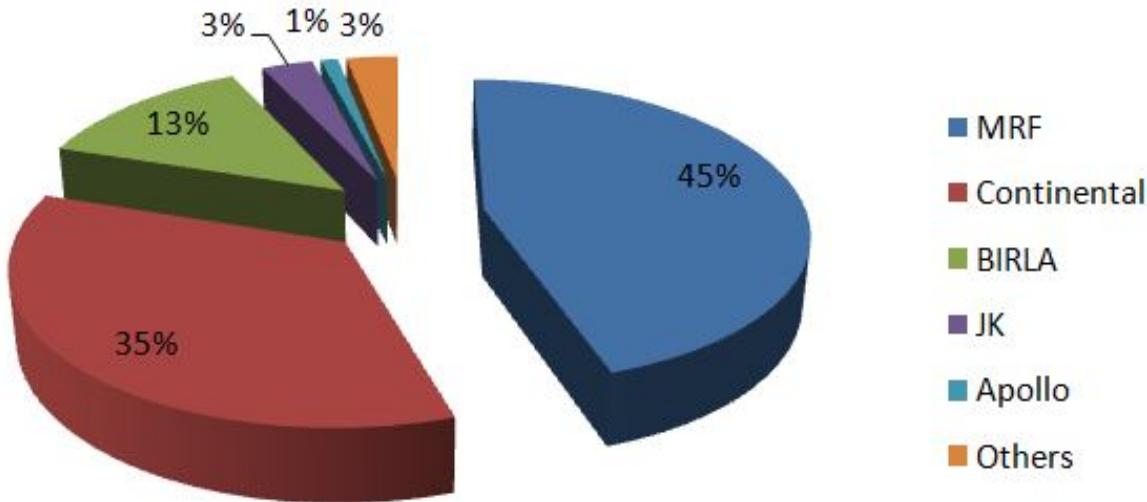


**Figure: Dealer’s dealing share (%) with importer**

## 5.2 Finding- Bogra:

- Bogra is a transit area of North-Bengal
- Biggest vehicle workshops are here
- Dealers of bogra are the main supplier for other districts like - Dinajpur, Rongpur, Thakurgaon, Nilfamari, Ponchogor, Gaibandha, Sirajgonj etc.
- Most trucks coming from border area and other districts take one break here for tyre maintenance
- Transport business exist as side business for many owners
- Vital supply area for green vegetables to many districts
- Credit business still remain in dealers and customers
- Dealers always stay in risk mode when purchase CEAT tyres.
- CEAT LM, AR tyres performance found well and dealer (Lucky Auto) satisfied.
- Usage of Motorcycle is high among local people.
- Worried about BD factory production, whether it will keep the standard quality or, not.
- Some dealers and truck owners are so optimistic about factory production.

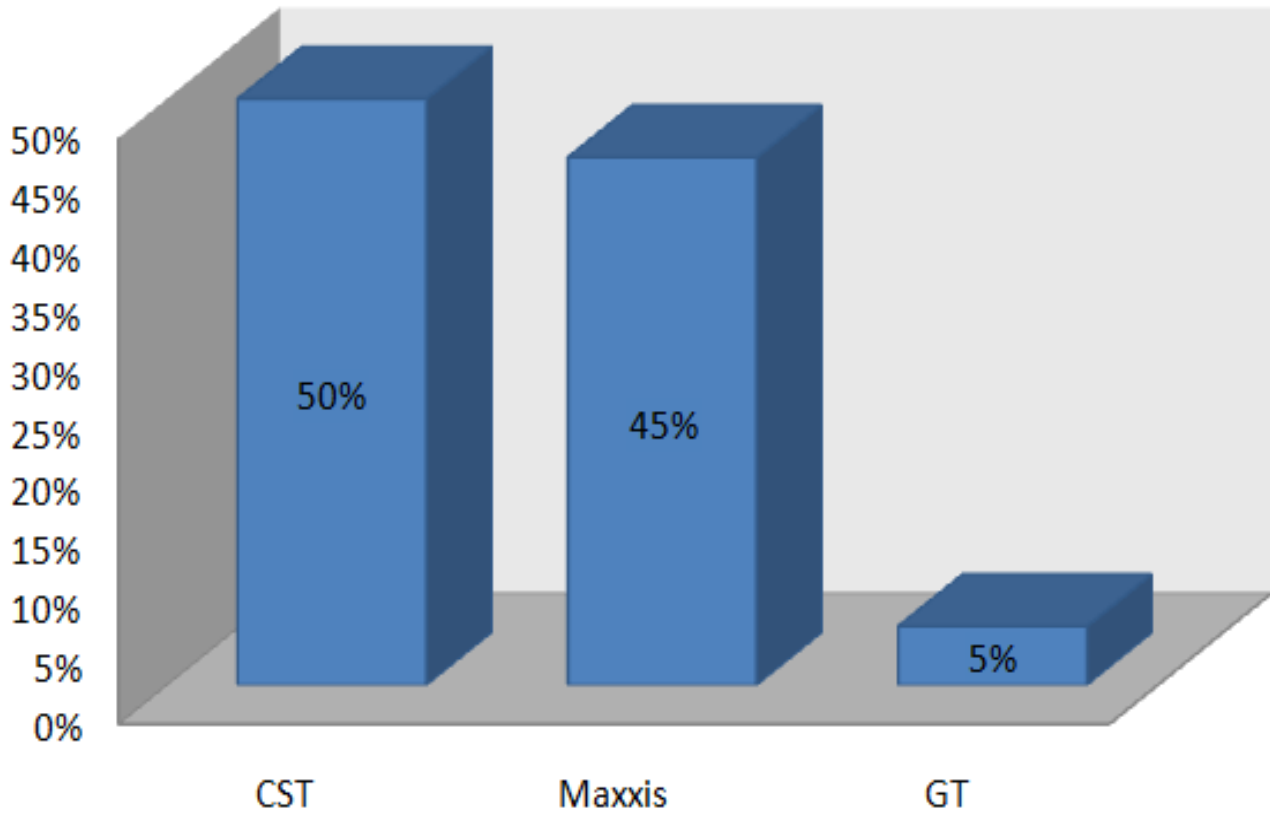
### Front- Bias Tyre



### Current Customers usage tyre brand statistics

Figure: Front- Bias tyre market share in Bogra

## Rear- Radial Tyre



**Figure: Rear- Radial tyre market share in Bogra**

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### 5.3 Findings of the Study:

From the analysis it is identified that CEAT has a great chance to capture the tyre market of the country. Basically CEAT is known for bus and truck tyres manufacturer. The research is also done on the bus and truck's tyre industry. From this research the following facts are founded:

- Big bus companies are very brand loyal in case of purchasing tyres.
- Local bus and truck owners are very much price concern.
- Most of the purchase in the tyre industry is done on credits.
- High loaded tyres have more demand in the market.
- Chinese tyres are also popular because of their low price
- 39 tyre making companies are available in the market
- Mostly used ply rating is 16 PLY
- Mostly Used size tyre is 10.00 20.
- In Bus segment CEAT has a very few presence.
- In truck segment CEAT has more presence.
- local tyres like Hussain and Gazi are also found in the market because of low price
- Unavailability of service centers is another problem
- Very few promotional activity is done in the market
- Most highway buses average lifetime of a tyre is 4-5 Months.



**CHAPTER: 06**  
**Recommendations & Conclusion**

## 6.1 Recommendations:

From my analysis I have found some difficult pitches of CEAT, as I believe which needs to focus more. Below mentioned those as recommendations:

1. In factory production, CEAT should manufacture radial tyres beside with bias, as the demand of radial is getting higher in north Bengal.
2. Incorporate more customer oriented programs.
3. Free maintenance service as quality assurance and commitment.
4. Influence some business companies and provide tyre with better supplement.
5. Penetrate price for beat local rivals in segment of LM.
6. Setup one stop customer service point.
7. Car servicing tips through CEAT help line mobile service.
8. Easy dealer requirement policies
9. Provide good facilities (bonus, reward, credit system)
10. Factory news and other potential initiatives need to inform them.
11. CEAT Radial tyres 1000R PRO (S10/B10/R10) ensure more availability to all dealers.
12. Consider as prime priority customers who have huge bus/truck, give them exclusive facilities from CEAT.
13. Need more skill people to ensure after sales service (provide technical reports to customer)
14. Dealer's bank payment system need to be more easier, then delivery will be more faster (provide online guideline)
15. Initially radial price need to penetrate for certain time
16. Ensure availability of other radial tyre sizes (like- 8.25 R 20, 9.00 R 20)
17. Set up more bill boards in outside of Dhaka.
18. Arrange workshop for garage mechanic, drivers and volkers.

19. Create a good business relation with local office of TATA (Nitol Motors) & Ashok Leyland (Ifad Autos).
20. The tyre market is wide open because brand loyalty rate is low in the market, CEAT can take it as an opportunity and take initiatives to build the brand loyalty among customers.
21. CEAT should do more promotional activities.
22. CEAT have to make good relation with the branded bus companies because they are major customers in the tyre market.

## 6.2 Conclusions:

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 Bangladesh 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 make 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.

**CHAPTER: 07**  
**References & Appendix**

## 7.1 References:

### Books:

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- [forbesindia.com/article/exit-interview/ceat-tyres-head](http://forbesindia.com/article/exit-interview/ceat-tyres-head)

## 7.2 Appendix:

Attested below items from the next page:

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1. Actual Sample of Fitment Survey
2. Actual Sample of Dealer Survey
3. Actual Sample of Customer Database, Bogra