

An Exploratory Study on the Factors Affecting Customers' Choice of Commercial Vehicle Lubricant Products

Submitted By-

Ahmed Ahnaf

ID#12104063

BRAC Business School

BRAC University

Submitted To:

Dr. Khan Mohammad Raziuddin Taufique

Assistant Professor

BRAC Business School

BRAC University

06/09/2016

Letter of Transmittal

Dated: 6 September, 2016

Dr. Khan Mohammad Raziuddin Taufique

Assistant Professor,

BRAC Business School

BRAC University

Subject: Submission of Internship Report.

In accordance to your advice, I have prepared my internship report on “**An Exploratory Study on the Factors Affecting Customers’ Choice of Commercial Vehicle Lubricant Products**”. In my report I have tried to focus on the outcomes of the study regarding procuring an understanding and insight regarding launching new product the market. I tried to work on the relevant information which would cover the objectives of the report. But no doubt, my effort and contribution will be best evaluated on your sharp scale of acceptance and remarks.

I tried my best to show my skill, which is achieved by three months, practical experience through this report. Finally, I would like to assure that I will remain standby for any clarification, explanation as and when required.

Thank you in advance for your kind assistance.

Sincerely yours,

Ahmed Ahnaf

ID No: 12104063

BRAC Business School

BRAC University

Letter of Approval

This is to certify that the internship report on “**An Exploratory Study on the Factors Affecting Customers’ Choice of Commercial Vehicle Lubricant Products**” has been prepared by Ahmed Ahnaf bearing ID 12104063 as a requirement of Bachelor of Business Administration (BBA) degree from BRAC University.

He is permitted to submit the report for final evaluation.

Dr. Khan Mohammad Raziuddin Taufique

Assistant Professor,

BRAC Business School

BRAC University

Acknowledgement

The internship opportunity I had with **MJL Bangladesh Limited** was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this internship period. I am also thankful to them for their kind recommendation, submission, direction, co-operation and their collaboration in preparing this report.

I would like to convey my sincerest gratitude to **Mr. M. Mukul Hossain, Chief Executive Officer (CEO)** of **MJL Bangladesh Limited** for his kind permission to help me during this tenure for acquiring knowledge in this company.

I express my deepest thanks to **Mr. Rezwan Ullah Khan, Assistant Manager, Product Development & Mr. Md. Mosfequn Kaisar, Assistant Manager, Field Marketing** of **MJL Bangladesh Limited**, for supervising me directly & giving necessary advices and guidance and arranged all facilities to continue my internship. I choose this moment to acknowledge his contribution gratefully.

Finally, heartiest gratitude to my reverend faculty and advisor for this internship program, **Mr. Dr. Khan Mohammad Raziuddin Taufique, Asst. Professor, BRAC Business School, BRAC University**, whose enthusiastic guidance and critical comments helped me to prepare this report. My sincere gratitude is to him.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement.

Sincerely,

Ahmed Ahnaf

Table of Contents

Letter of Transmittal	ii
Letter of Approval	iii
Acknowledgement	iv
Table of Contents	v
List of Tables	vii
List of figures	viii
Executive Summery	ix
Chapter One: Organization Part	10
Organization Overview	11
Guiding Principle	12
Organogram of MJL Bangladesh Limited	14
Production Process of Lubricating Oil	15
Products	16
Channel of Distribution	16
Promotional Activities	17
Key Job Responsibilities	17
Chapter Two: Project Part	18
Abstract	19
1. INTRODUCTION	19
2. OBJECTIVE	20

3. LIMITATIONS	20
4. LITERATURE REVIEW	20
5. RESEARCH METHODOLOGY	22
6. DATA COLLECTION	24
6.1 Primary Data	24
6.2 Instrument of Collecting Data	25
6.3 Area of Sampling	25
7. ANALYSIS	26
8. RESULTS AND DISCUSSIONS	26
Chapter Three; Recommendation Part	31
Conclusion And Recommendations	32
References	34
Appendix	36
Index	40

List of tables

Table: A.1: Vehicle Lubricant Products	16
Table 3.1: Different Factors of Brand Positioning and their Sources	21
Table 5.1: Types of Respondents	24
Table 5.2: Ratio of Respondents Area-wise	25
Table 5.3: Detail of Data Collection	25
Table 6.1: Factors affecting New product Purchase Decisions of Consumers	27

List of figures

Fig. A.1: Organogram of MJL Bangladesh Limited	14
Fig. A.2: Lube Oil Production Process	15
Fig. 6.1: Purchase Decision Maker	26
Fig. 6.2: New Product Purchasing Factors of End Users	28
Fig. 6.3: New Product Purchasing Factors Plotted in Ascending Order	29

Executive Summery

The survey drawn out, required a team effort to be put together to make sure all the significant territories of the country where the market is dominated by CVL products are covered with stakeholders of the relevant field. The basic intention of the study revolved around the heavy engine vehicles that are fuelled by diesel. The outcome of the survey was to obtain a pattern of consumption behaviour and the factors that are into effect among the target group regarding the purchase of new product in Commercial Vehicle Lubricant market.

In order to gain genuine and conventional feedbacks from the target group no bars were held. The survey technically stretched from the great north, casing the districts Bogra, Thkurgaon, Rajshahi, Rangpur, Pabna to the coastal reef of Chittagong; covering Dhaka, Sylhet, Comilla on the regions as well. Dhaka alone had 5 separate territories from which reactions were collected. The sampling frame consisted of all kinds of sellers of engine lube and all type of associates of Diesel Engine Vehicles.

Chapter One

Organization Part

Organization Overview

MJL Bangladesh Limited, once in the past Mobil Jamuna Lubricants Limited, is a joint venture organization between state claimed Jamuna Oil Company and EC Securities Limited (auxiliary of the East Coast Group). In 1998, The world-class lubricant blending in Bangladesh began when Mobil Corporation (after the merger known as ExxonMobil Corporation) chose to set up Mobil Jamuna Lubricants Limited in association with the state owned Jamuna Oil Company Limited.

MJL Bangladesh Limited imagined Bangladesh to be one of only a handful nations in the area to mix top notch greases. MJLBL began its business operation on May 20, 1999. In May 2003, The organization authorized a best in class Lube Oil Blending Plant (LOBP)- the first of its kind in the nation. From that point forward, the creation of this plant and advertising exercises of MJL Bangladesh Limited have extended extraordinarily.

As required by ExxonMobil's Quality Integrity Management System(QIMS), this zero emission Plant entirely takes after the quality projects, beginning from accepting the base oils from ExxonMobil and added substances sourced from other worldwide suppliers according to ExxonMobil suggestion and definition. The Plant is affirmed by ExxonMobil QP&G and QIMS, and Germinischer Lloyd (GLC) for ISO 9001-2008. A group of profoundly qualified, prepared and talented work force operates and maintains the plant with the guarantee of hundred percent quality confirmations of the manufactured products.

With an across the country inventory network to provide the oil needs of the nation, the Company entirely takes after a "client first" strategy. Its master deals and building bolster administration faculty work with most extreme commitment to distinguish the right items and administrations for the customers' needs. One can without much of a stretch find in the business sector an expert exhibit of the quality items mixed and showcased by MJL Bangladesh Limited (MJLBL).

Where there is motor there is nearness of MJL Bangladesh Limited to give expert lubricant solutions. In this way the oils mixed and promoted by MJL Bangladesh Limited are being utilized as a part of driving the motors touching all foundations of current improvements of the nation including engine vehicles, train motors, stream, ocean and maritime vessels, aeronautics and power and different divisions of the nation.

Being a sparkling case of Technology Transfer in the nation, the organization has made direct occupation open doors for 156 individuals, 2000 related employments, huge worth expansion in lube mixing and the accessibility of world-class oils and oils in Bangladesh.

Vision

- To retain market leadership.
- To focus on long term business sustainability.
- Selling productivity with consistent growth potential.

Mission

- To support our customers with unsurpassed technical expertise for continuous value addition.
- Ensuring timely delivery.
- Maintaining product integrity.

Values

- Safety is our top most priority.
- Our people including technical expertise are our assets.
- Our motto- “Our business in life is not to get ahead of others, but to get ahead of ourselves.”

GUIDING PRINCIPLE

Growing Ambition – MJLBL has the ambition to stay as the leading provider of blended high quality lubricants and expand its market share through capturing untapped segment of lubricating oil.

Customer Focus – We are striving to provide our customers with the best products and services according to customers want and need.

Flawless Execution – When it comes to providing with our goods and services, we thrive in what we promise.

Team Building – We are a team that is built on the grounds of exceptional quality workforce.

Nurturing Talent – MJLBL helps in developing talent among each employee.

Milestones Achieved

- 1998- Incorporated as a private limited company
- 1999- Commenced commercial operation
- 2003 - Established state of the art Lube Oil Blending Plant
- 2004- Received ISO 9001:2000 Certification

- 2007- First company to export lubricating oil from Bangladesh. Successfully blended high performance lube oil by the name of "Omera"
- 2009- Received "Excellence in Business Performance 2009" award from ExxonMobil
- 2010- Set up the following plants: 1. Grease Manufacturing Plant 2. Transformer Oil Processing Unit 3. Viscosity Index (VI) Improver Plant •Received BMW approval "Longlife-01 engine oil" for Omera Lube 1 5W-40 •Received Outstanding Achievement in Global Audit on QIMS and QP&G
- 2011- Listed on the Dhaka Stock Exchange and Chittagong Stock Exchange •Received "Excellence in Business Performance 2011" award from ExxonMobil •Owned an AFRAMAX Oil Tanker "Omera Queen" with a capacity of 106547 MT, the largest of its kind in Bangladesh
- 2012- Omera Petroleum Limited, a sister concern of MJLBL signed an agreement with Parlym International to install state-of-the-art LPG bottling plants •Received JASO MA2 approval for Omera Brand Motorcycle Engine Lubricant
- 2013- Formed a joint venture in Myanmar with AKT Company Ltd.
- 2014- LOBP team scored 3.8 in the 3PIMS out of 4 point scale of ExxonMobil Audit

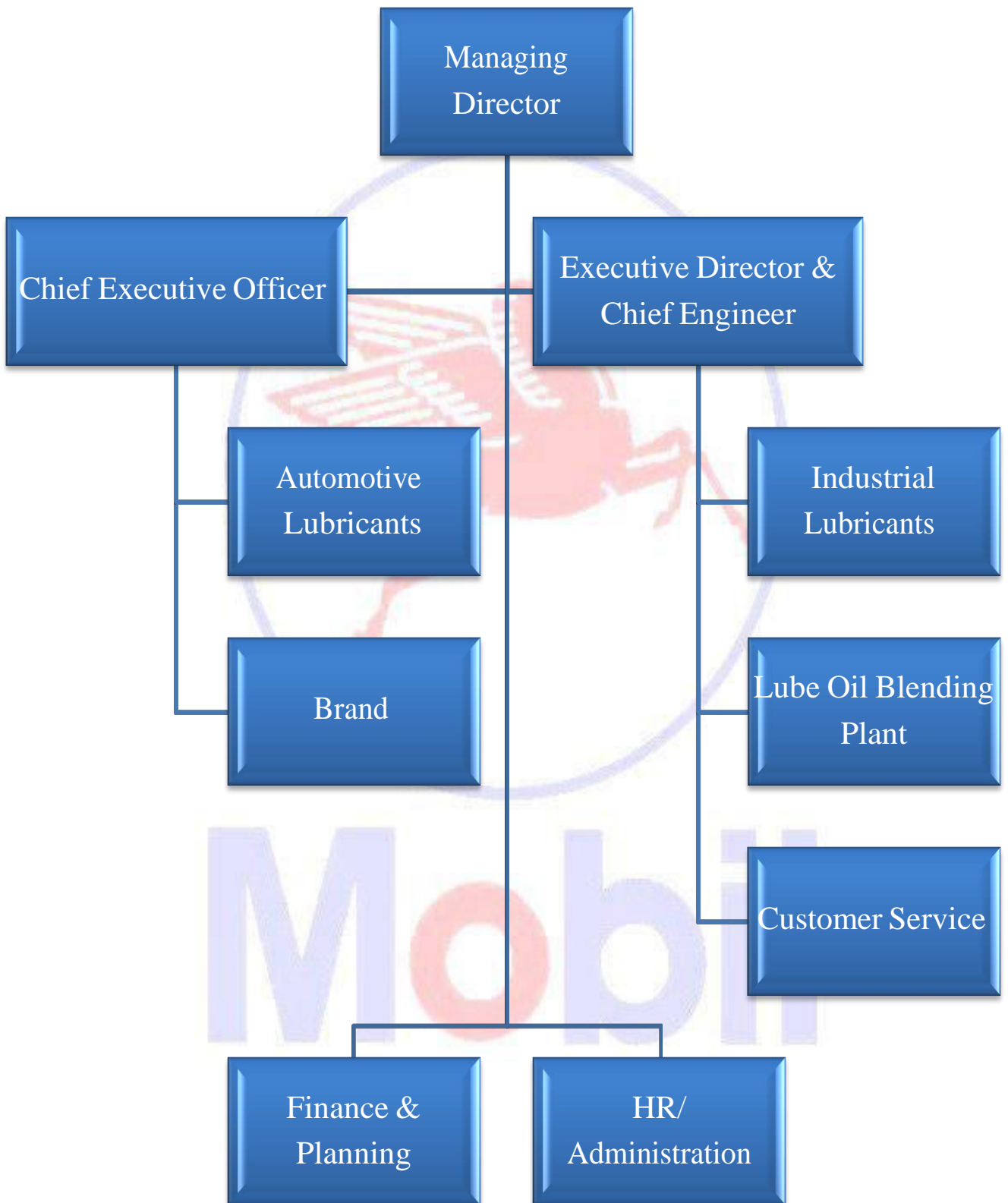
Organogram of MJL Bangladesh Ltd

Fig. A.1: Organogram of MJL Bangladesh Limited

Production Process of Lubricating Oil

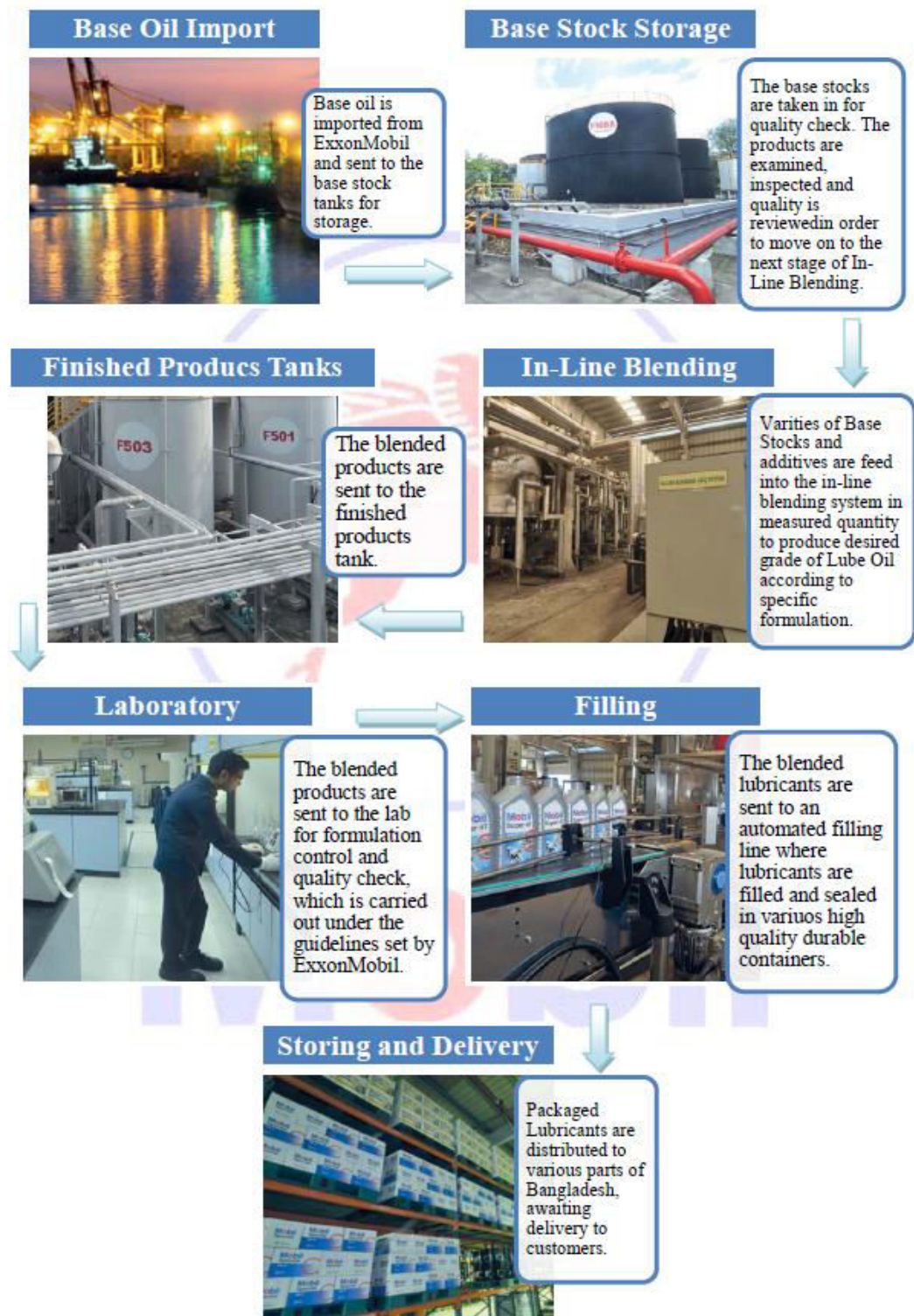


Fig. A.2: Lube Oil Production Process

Products:

Table: A.1: Vehicle Lubricant Products

Passenger Vehicle Lubricants:	Commercial Vehicle Lubricants
Mobil Super 1000 20W- 50	Mobilube GX 140, 80w90
Mobil Super 4T	Mobil Delvac MX 15w 40
Mobil Super 2T	Mobil Delvac1330,1340,1350
Mobil HD 40, 50	Mobil Delvac 1 5W 40
Mobil Brake Fluid Dot 4	Essolube GEO 20w 50
Mobil ATF 220	DIOL 13 RD 40
Mobil Antifreeze	
Mobil 1 Synthetic Gear LS 75W-90	
Mobil 1 Synthetic ATF	
Mobil 1 0W-40	

Channel of distribution

Jamuna Oil Company Limited (JOCL), an oil marketing company of Bangladesh Petroleum Corporation (BPC) and MJLBL has made main distribution agreement. This agreement allows MJLBL to use the large infrastructural facilities of JOCL which they have been for quite some time. With a countrywide extensive network of 16 depots, in addition to its main installation at Guptakhal in Chittagong, 431 Filling Stations, 852 agents and 181 packed Point Dealers JOCL are open of the leading players of the industry. The agreement implies MJLBL to supply all sorts of industrial, automotive and aviation lubricants to JOCL's main installation (MI) at Chittagong and consequently JOCL distributes products all over the country. Major state owned industries and power plants are usually supplied lubricant through JOCL. Other than JOCL, MJLBL distributes its products through wholesalers and directly to the industrial buyers.

Currently the company has 76 wholesalers appointed to sell the products throughout the country except to the JOCL's customers. Moreover, MJLBL has supplied directly to more than 2000 industrial buyers. The distribution infrastructure of MJLBL includes main warehouse in Chittagong, and the other two successively in Dhaka and Bogra.

Sales are made against A/C Payee cheques for JOCL and against Demand Draft or Payment order for wholesalers and industrial buyers so there is no scope of irrecoverable debts.

Promotional Activities

MJL Bangladesh Limited is always sincere about the marketing mix. One of the important elements of marketing mix is promotional activity. Throughout the year MJLBL arranges various types of promotional activities with the customers, retailers and wholesalers. The main promotional programs are given below:

- Road Show/ Customer Clinic/ Technical Seminars
- Different retail promotional programs
- Sponsoring in emerging sports and events of the country
- Mobile talk time offer with different products
- Gifts for the customers/ retailers/ wholesalers
- LCC Mechanics Awareness Program

Key Job Responsibilities:

- Conducting Survey
- Data Entry Operation
- Participating in field level marketing tasks
- Organizing Retailer Sales Promotion Program- Customer Clinic
- Participated in Campaign Against Adulterated Lubricant Product of MJL Bangladesh Limited

Chapter Two

Project Part

Abstract

This report focuses on primarily the factors that requires to be addressed while positioning a CVL brand that is being launched newly in the market. This study embodies an approach of survey to determine the best possible tactic of brand positioning of diesel engine lubricant on consumer perception. An empirical study has been conducted in all the business territories of MJL Bangladesh to find out the perceptions of consumers towards the introduction of a new CVL product. Survey has been conducted with structured questionnaire to determine different attributes responsible for brand positioning of lubricant oil. Analysis has been done to identify only the important factors for brand positioning of new CVL product.

Keywords: Brand Positioning, CVL Products, Perception

1. INTRODUCTION

The market of vehicle lubricant in Bangladesh is intensely dense with a large number of lubricant manufacturing, exporting business entities operating in it. More than 75 companies compete in this unregulated sector of commerce. Since, vehicle numbers are increasing on an exponential ratio daily, the market is relentlessly active with products of different types. Although “Mobil” are the overall market leaders, in the CVL sector, they are not the most desired brand anymore. With a view to institute Leadership in the sector, a new line of product is to be introduced.

Such complicated market requires for focus on factors that affect the purchase decision of the consumers before a new product can be introduced. CVL market is a combination of wide range of consumers ranging from the distributors of the lubricant to the end users like mechanics, vehicle operators, owners etc. To structure the factors required to be addressed for an ideal brand positioning of the new merchandise, the study has been carried out.

2. OBJECTIVE

The study was carried out to achieve the following objectives:

- To determine the factors that affect the consumer brand preference in case of a new product offered for diesel engine vehicle
- To find out the relative importance of the factors
- To elicit the factors that corresponds the ideal positioning of the new product

3. LIMITATIONS

Although the study guarantees authenticity of the consents of the respondents, there were some limitations that were faced during the data collecting process as well as analysing the collected data.

They are as followed:

- Due to time constraint, sampling was not done on the entire country rather on the territories where CVL consumers are most dense
- Questionnaire was designed in English while most respondent were not educated therefore the data received might miss some points they would have brought up

4. LITERATURE REVIEW

A comprehensive literature review has been conducted to determine the different factors for brand positioning of automotive lubricant. According to Philip Kotler brand positioning is the act of designing the company's offer so that it occupies a distinct and valued place in the mind of the target customers. According to David Aaker, brand positioning is the part of brand identity and proposition of value that is communicated to the target group of consumers/customers. In order to ideally position a brand following four questions have to be answered:

- Why (What additional benefits will the consumers obtain from the new product)
- When (The correct opportunity time for the new brand)
- For whom (Identify the target customers)
- Against whom (Identifying the competitors in the market)

The study implies focusing on different factors considered by the consumers while implementing buying decision. The table below contains the sources of the factors that have been proved to influence the purchase decision making:

Table 3.1: Different Factors of Brand Preference and their Sources

Source	Findings	Factors of Purchase
Gautam Srivastava, Dr Neeraj Anand, Dr Arvind Kumar Jain; Important Factors for Brand Positioning of Automotive Lubricant for Four Wheeler Segment Customers (September, 2014)	The research identified Brand Value/Goodwill, Product Quality (Combination of variables quality, superiority, reliability), Marketing Strategy (combination of variables like packaging, advertising, promotional offers, benefit offers) and Accessibility (combination of variables price, availability) of product as key factors for brand positioning of lubricant	Quality, Brand Value, Promotion, Packaging
Parikshat S. Manhas; Strategic Brand Positioning Analysis through Comparison of Cognitive and Conative Perceptions (2010)	The study implies that the increased performance of brands in terms of the desired characteristics lead to greater acceptability of the brands.	Performance
Manilall Dhurup, Chengedzai Mafini, Tshepiso Dumasi; The impact of packaging, price and brand awareness on brand loyalty: Evidence from the paint retailing industry (2014)	They found out when and if consumers know (recognize) a certain brand they tend to include the name in their personal consideration set. In the process, consumers get to understand which product or service category a particular brand belongs to and what products and services are sold under the brand name.	Brand Value/ Goodwill,
Devendra Singh; Investigating the Effect of Engine Lubricant Viscosity on Engine Friction and Fuel Economy of a Diesel Engine (2011)	Measurement of viscosity or thickness of lubricant. It is determined by the Society of Automotive Engineers. It has a significant impact in terms of perceived performance. Different engines have different grade suitability.	Higher SAE Grade
Salman Zakir, Dr. Fouzia Naeem Khan; Consumer Attitude towards Automobile	According to the study, Viscosity / thickness, prior experience and long lasting / better mileage that count as major factors in consumer purchase decision.	Higher API Grade, Experience,

Lubricants: A Case Study of PSO Lubricants (2011)		Mileage, Viscosity, Thickness
Sadia Afroj; Factors Considered By Lower Middle Class People of Khulna City, Bangladesh on Buying Some Selective Consumer Products (2012)	This study concluded that in Bangladesh, lower middle class consumers tend to show high price sensitivity, less brand loyalty and consider core benefit as a mean of quality	Price, Quality, Brand Loyalty
Danijela Mandić; Long-Term Impact Of Sales Promotion On Brand Image (2009)	Sales promotion techniques are intended to build a stronger relation which can prove to generate long term benefits.	Benefit Offer
Susan Gunelius; 5 Factors Of Brand Positioning (http://www.corporate-eye.com/main/5-factors-of-brand-positioning/) (2008)	Brand Attributes, Consumer Expectations, Competitor attributes, Price, Consumer perceptions	Brand Attributes, Consumer Expectations, Price, Competitor Attributes
Michel Tuan Pham and E. Tory Higgins; Promotion and Prevention in Consumer Decision Making (2004)	Their work proposed that the decision making process of consumers is mostly a matter of convenience.	Availability
Jay E. Klompmaker, G. David Hughes, Russell I. Haley; Test Marketing in New Product Development (1976)	The study has identified Test marketing as a mean of evaluating the marketing plan but neither as a process of assessing the consumers nor to generate new ideas.	Trial Run
William O. Bearden, Michael J. Etzel; Reference Group Influence on Product and Brand Purchase Decisions (2001)	The study established the influence of reference group in consumer behavior along with the fact that type of reference vary across type of products.	Owner's Preference, Mechanics' Suggestions

5. RESEARCH METHODOLOGY

In this report, we conducted our research on the resellers of diesel engine lubricant as well as the end users who can be categorized as Drivers, Mechanics, Vehicle Owners, Fleet Owners and all the

other associated parties that plays a role in the purchase decision of lubricant. It is not an easy task to collect data from millions of elements of the theoretical population. Hence, after considering the four basis issues of time, budget, administration and validity, it was decided to choose a sample of at least 300 respondents from primary CVL consumer zones of Bangladesh. As we know, sampling is the process of selecting elements from the study population in such a way that the elements selected represent the actual population. The goal of selecting a sample is to use the results obtained to help answer questions about the population and draw conclusions about the population itself from the sample results. The sample were selected through below mentioned measures:

- I. **Sampling Frame:** Sampling frame is the complete listing of units or elements of a study population from which a sample is usually drawn. In this case, All kinds of registered sellers of CVL, be it the wholesalers or retailers or workshop owners and all kinds of consumers i.e. drivers, LCC mechanics, owners of vehicles, fleet owners, managers etc. were parts of the frame.
- II. **Sampling Units:** Sampling unit basically refers to the smallest unit from which the desired sample is drawn. For this report, the sampling unit will be the markets where lubricants are sold, workshops, bus stands, fleet depot, truck-yards, off-highway vehicles (trailers, prime movers etc.).
- III. **Sampling Scheme:** Sampling scheme is the method of selecting sampling units from the sampling frame. In order to carry out this study, initially a Stratified technique of Random sampling was commenced. Then the study engaged a Convenience sampling method. The study did not stress on allocation since the elements of the population have an aversion to participate in surveys without reinforcements.

The research is a Descriptive one with Cross-Sectional Time Frame where an Inductive Approach is employed. The study aims to deduct a theory from initially gained empirical data. The study includes techniques of empirical manner with a view to form a Nomothetic study which can be generalized for the entire Theoretical population. The survey was conducted through Personal Interviews which required knocking the respondents door to door. The instrument engaged to carry out the survey was Questionnaire.

6. DATA COLLECTION

6.1 Primary Data

Primary data was collected from the consumers and customers of the CVL sector. Which principally included respondents who are associated with vehicles of following category:

Table 5.1: Details of the Respondents

	Bus	Minibus	Truck	Pickup	Covered Van	Others	Total
Driver	17	14	25	7	6	1	70
Manager	7	6	2	1	4	5	25
Mechanic	35	9	54	24	15	8	145
Owner	6	6	24	11	13	3	63
	65	35	105	43	38	17	303

The feedback were required from all the parties to make sure the decisions to be derived from the study can be generalized upon the entire industry of Diesel Engine Lubricant. Mechanics provided their judgement based upon the characteristics of sales while the users reacted on the basis of their consumption and satisfaction with the products.

6.2 Instrument of Collecting Data

The survey conducted employed use of a structured questionnaire. The study required field level information and since the questionnaire was designed in English, therefore the interviewer team had to employ a Personal Interview technique to collect data. Mechanics, drivers, owners and other relevant stakeholders were enquired one by one to amass the data.

6.3 Area of Sampling

The survey was conducted in the commercial territories of MJL Bangladesh Ltd. The areas that have the highest level of CVL products. The districts where the survey is conducted are as followed:

Table 5.2: Ratio of Respondents Area-wise

Area	Respondent Ratio
Bogra	18%
Chittagong	12%
Comilla	11%
Dhaka	26%
Pabna	4%
Rajshahi	10%
Rangpur	10%
Sylhet	4%
Thakurgaon	5%

A team was formed, comprising 5 members of the Field Marketing department of MJL Bangladesh Limited who are as followed:

Table 5.3: Detail of Data Collection

Name Of Interviewer	Area	Samples Interviewed
Abidur Rahman	Rajshahi	31
	Pabna	12
	Bogra	55
Mosfequn Kaiser	Thakurgaon	15
	Rongpur	30
Mahmud Hasan Ahamed	Comilla	33
	Chittagong	36
Ahmed Ahnaf	Dhaka	78
Rezwanullah Khan	Sylhet	13

The team members respectively went to the assigned territories and stayed for 2-3 days on each location in until they had collected ample amount of data to satisfy the objective of the study. The interviewers did not apprise the respondents what organization is the study being conducted for. An anonymous survey was conducted to ensure they responses are not affected by any kind of bias.

7. ANALYSIS

The data received were tabulated in spreadsheet using the software “Microsoft Excel 2010” and the analysis was then further carried out using “Pivot Table”. Pivot table is a summarization of spreadsheet that helps in drawing out significance from a large and detailed data set. All the data were arrayed in a way that for each respondent a row and for each possible response a column was allotted. Each cell contained a particular data. These data were further arranged for Pivot Table input compatibility.

8. RESULTS AND DISCUSSIONS

To establish a shrewd impression of the market and the essential parties to be addressed the study required to find out Decision makers of the lube purchase. As par the respondent, the decision makers in such cases are as the figure below:

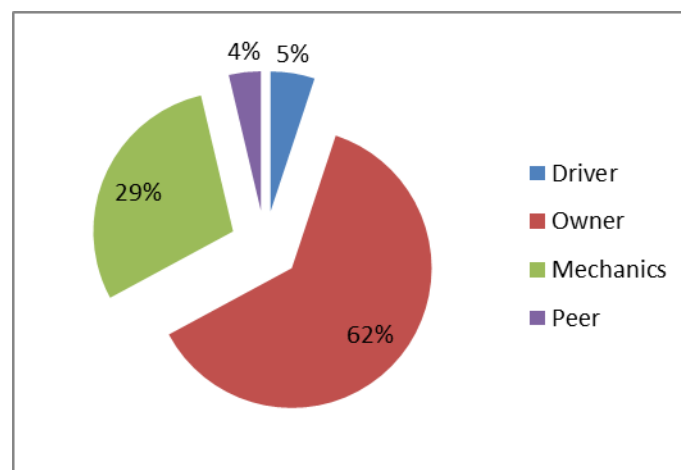


Fig. 6.1: Purchase Decision Maker

According to the Figure above, Vehicle Owners are the decision makers in most cases. 62% of the respondents have reacted that they decision of lube purchase is made by the owner of the vehicle. In 29% cases, Mechanics carry out the purchase decision. Drivers and peer groups of this sector such

as managers or other influencers have minimal say in the decision. The factors of brand positioning thus have to be organized in such way that they address the owners of the commercial vehicles and the mechanics.

The survey has brought about the factor that affects the decision makers while purchasing a new product. A table enclosed below would focus on the factors that are currently affecting the purchase behaviors of different decision makers while buying new products:

Table 6.1: Factors affecting New product Purchase Decisions of Consumers

<ul style="list-style-type: none"> • Performance • Quality • Lower price • Higher API Grade • Brand Value/Good will • Trial Run • Owner's Preference • Thinner 	<ul style="list-style-type: none"> • Benefit Offer • Higher SAE Grade • More Thick • Engine Protection • Mechanic's Suggestion • Higher price • Packaging • Available
--	---

Among all these factors there is only one factor that was not considered by any respondent. No user in the Commercial Vehicle Lubricant industry considers to buy a new product that is thinner than the existing lube oils in the market.

With a view to gather an overall impression of the market and its characteristics, the study thrived to understand that factors that a new product must check to qualify the benchmark of acquiring a position in the market. Factors, as derived from the literature review were placed fourth to the respondents to select from.

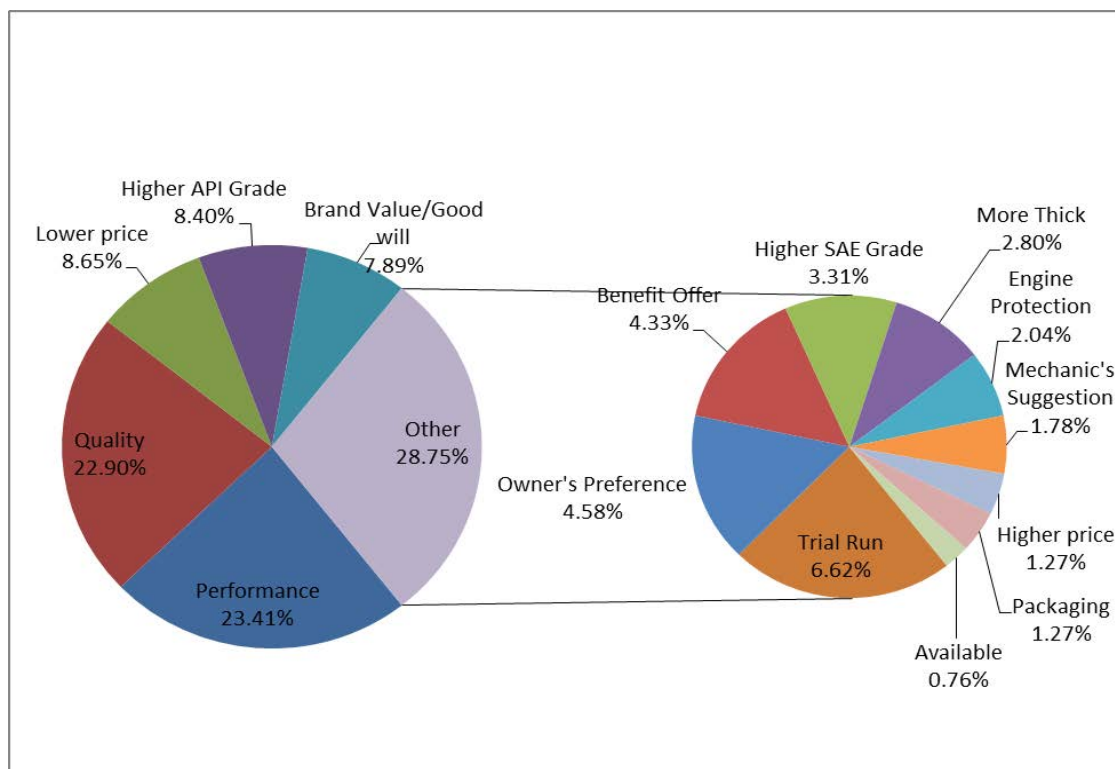


Fig. 6.2: New Product Purchasing Factors of End Users

As our objective was to determine the best possible factors to be addressed for new product adoption, the study shows far too many factors that according to the respondents, are considered while purchasing lubricant for their vehicle. The above figure is a projection of the overall factors that affects the consumers while purchasing the lube. The consumers do not seek for a particular factor while purchasing lubricant. In most cases they choose their lubricant through psychological inclination towards multiple factors. The figure shows the factors that would be enabled only in case of a new product. Therefore it can be said the expected features from a new product are projected in the figure.

The factors that are the most considered by the users while purchasing or consider purchasing a new product are as followed:

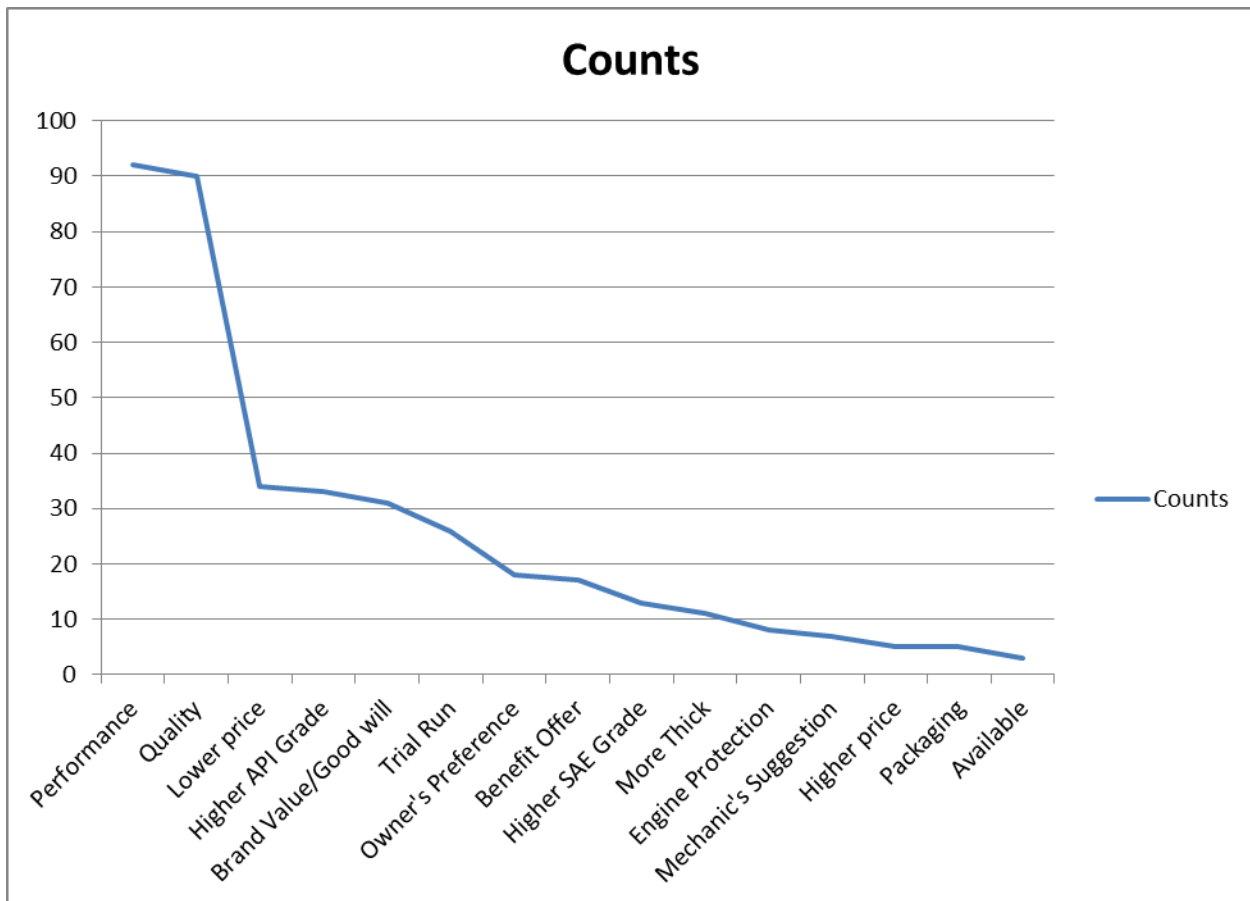


Fig. 6.3: New Product Purchasing Factors Plotted in Ascending Order

The factors are arranged in an order of most frequently considered to the least. The curve starts to steep down from the sixth factor. The graph suggests the features that has to be enabled in a new product as well as provides a guide of how to design the communication and marketing strategy.

The significantly appeared variables that must be considered while designing the product are:

- Performance
- Quality
- Higher API Grade

The features of the product if not communicated through marketing activities to the customers or consumers, are as useless as not having them. Therefore, a new product, upon being introduced in the market, must also imply on disseminating the improved and updated attributes of it.

As for drawing an outline for marketing strategy to be instrumented for a new product to adopt in the market, the features that must be addressed are as followed:

- Lower Price
- Brand Value/Goodwill

In order to acquire market share with a new product, one must come up with something new since there are already a large number of brands available in the market. The product must be shaped in such way that it satisfies the consumers expectation regarding it.

Chapter Three

Recommendation Part

CONCLUSIONS AND RECOMMENDATIONS

Since the market of lubricant in this country is filled a large number of brands and on top of that every brand is more or less successful, the idea of launching a new product is justified. But, if the product is to acquire a substantial position in the market and sustain that, the brand positioning has to be emphasized highly and carefully. The study has revealed 17 factors that the consumers of CVL products consider while purchasing a new product. The relative importance of the factors that the diesel engine operator, technicians and stakeholders consider are as followed:

Important Factors:

Performance
Quality
Lower Price
Higher API Grade
Brand Value/Goodwill
Trial Run
Owners Preference

Inessential Factors:

Benefit Offer
Higher SAE Grade
Thickness
Engine Protection
Mechanics Suggestion
Higher Price
Packaging
Availability

The factors that must be addressed and communicated through marketing activities are discussed below in order of their importance to the consumers:

- **Performance & Quality:** The primary factors of lubricant that the users of lubricant industry consider before purchasing any brand. Therefore the promise of higher performance and greater quality must be communicated properly through positioning. The perceived performance of the users have to be met and higher quality should be enforced in the product.
- **Lower Price:** Since the market already have a large number of products available, a new product has to be offered for a price that justifies its perceived performance and quality.
- **Higher API Grade:** The new product must have a higher API grade then the existing products in the market.
- **Brand Value/ Goodwill:** Brand value has momentous contribution in product sales. In this market, big brands make big profit. A branded new product will be essentially gainful.

- Trial Run: Consumers should be provided with sample of the product so that they can judge by themselves whether the new product satisfies their perceived level of performance or not.
- Owners' Preference: The study have revealed that Owners of vehicles are mostly the decision makers regarding the lube purchase. Therefore, a clear cut review is all marketing activities must be intended towards them.
- Benefit Offer: Benefit offers are usually designed for mechanincs and distributors. But it does not have any essential impact on the consumers. Therefore, for a new product, it is not a content to be conserved about.
- Higher SAE Grade, Thickness: The consumers are less concerned about this feature. Threfore overlooking this factor will not cause disturbance in effective brand positioning of the new product.
- Engine Protection: Another feature that will not amount much favour in positioning a new brand.
- Mechanics' Suggestion, Higher Price, Packaging, Availability: These factors are not as imfluencing among the consumers as the other factors. If addressed, the impact will not result any visible impact among the consumers, therefore, can be overlooked.

Lastly, in order to design an efficient and effective branding approach for a new product, the brand positioning must include the perceived performance and quality, lower price, higher API grade and brand value to provide superior edge to the branding practice. With the right Brand name and a comperatively low price in relation the perceived performance and expected quality of the product, a newly launched product can clutch its eminence over the market.

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Appendix

Attached below is the Questionnaire used to extract data from the samples:

Market Feedback from Diesel Engine Owner / Operator / Mechanic / User

Owner Driver Mechanic CVL

Name of Respondent: _____

Type of Vehicle: Bus Minibus Micro bus

Truck Pick up Covered Van

SUV Type Sedan/Private

Others _____

Brand of Vehicle:

PVL

Toyota Nissan Honda

KIA Others _____

Suzuki Hyuandai

CVL

TATA HINO SUZUKI ISUZU

ACE TATA JAC TOYOTA EICHER

MITSUBISHI ASHOK LEYLAND

Others _____

What do you mostly watch on TV? _____

Programs name you watch, if any? _____

Which FM Radio do you mostly listen to ? _____

Which Channel _____

At what time: _____

Driver's : Drive Time / day _____ Hours

Vehicle's: Drive Time / day _____ Hours

Distance Covered / day _____ Kilometer

Distance Covered / day _____ Kilometer

Capacity & Type: A/C Bus Non-A/C Bus Inter Districts

Local/inter City No of Seats

If not PVL, then 1 Ton 1.5 Ton 2 Ton

3 Ton 5 Ton 7 Ton Others_____

Who takes decision regarding engine oil selection for y our car?

Me/myself Other_____

ODI (Oil Drain Interval): After _____ Kilometers

and/or After _____ Days

Lube Usage: Name of Last used lubricant _____

How long ago _____ days

Name of your preferred Lubricant that generally/mostly used: _____

What SAE Grade of Lube you use for your vehicle:

20W50 15W40 5W40

5W30 1340 1350

HD 40 HD 50

Others_____

Pack Size you generally purchase to use:

208 ltr/Drum 20 ltr pail 15 ltr pail

5 ltr can 4 ltr can 1 ltr can

What is your engine oil sum (per engine) _____ Ltr / vehicle (Avg)
Total _____ ltr in all Vehicle

Are you satisfied with the existing pack size? Yes. No.

Your recommended SKU _____ Ltrs

To purchase your lube which factor you consider?

Performance OEM Recommendation High Price

Thinner Oil Thick oil Color

API/SAE Grade Original product/no fake Others _____

Low Price Brand/Goodwill

Smell Locally Available

Do you know what is the recommendation of your OEM for Lubricant ?

Yes. No.

If yes, do you purchase the lube as per recommendation?

Yes. No.

If no, how do you select your lube for engine? _____

If you find any better product in the market, what will drive you to use that?

Quality Performance Brand Value/Good will

Higher API Grade Lower price Higher price

Higher SAE Grade

Benefit Offer More Thick

Thinner Others _____

May we contact you further to let you know any offer or about Good product launched in the market?

No. Yes.

If yes, would you mind giving us your mobile number?

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Name of Interviewer: _____ Date: _____

Location of the Respondent:

Name of Market: _____ Area: _____ Territory: _____

Index

CVL- Commercial Vehicle Lubricant

PVL- Passenger Vehicle Lubricant

LOBP- Lube Oil Blending Plant

SKU- Stock Keeping Unit

SAE- Society of Automotive Engineers

API- American Petroleum Institute

OEM- Original Equipment Manufacturer

JOCL- Jamuna Oil Company Limited

BPC- Bangladesh Petroleum Corporation