

CHALLENGES OF TWO-WHEELER INDUSTRY IN TAMIL NADU

C. Dhatchayani

Dr. R. Venkatesh

Part Time Research Scholar, PG and Research Department of Commerce Don Bosco College, Dharmapuri.

Research supervisor, Assistant Professor, Department of Commerce, Don Bosco College, Dharmapuri.

Abstract

Two wheelers are popular mode of transportation largely used by the Indian population who falls under middle and lower middle class for their mode of transporting. This mode of transportation is used for its fuel efficiency, cost efficiency and flexibility in transportation. In India two wheelers manufacturers are offering different variety and segments of vehicles, including motorcycles, scooters and mopeds to fulfil the need of the different customers and their budgets. India is the largest manufacturer of the two wheelers in the world, contributes significantly for the world two wheeler marketer. This industry is influenced by different factors such as stiff competition, Taste and preference of customers, dealership problems, advertisement expenditure, and transportation. Therefore, the researcher examined the challenges faced by the two wheelers dealers in the region of Tamil Nadu. The study is descriptive in nature and primary data is collected by preparing and distributing well designed questionnaire to the population of the study area. Five-point liker's scaling techniques is adopted for collecting the opinion of the dealers and challenges encountered by them in the two wheelers industry. The sample size is 250 and data is collected through convenient random sampling method. Social economic profile of the respondents collected for identifying the profile of the dealers and secondary data is collected from published articles, websites, magazines, books, and other online sources. The collected data is tabulated and analyzed by applying the statistical data such as simple percentage analysis, mean score, standard Deviations, ANOVA, and correlations by using SPSS 22.0 version. The results have been justified that the dealers who belong to below 20 years of age group are educated up to school level, and earn up to Rs.5 Lakhs per month, and companies with the employee's strength from 10-20 are facing maximum challenges.

Key words: challenges, dealers, sub-dealers, executive, two-wheeler industry, sales, marketing campaigns.

1. Introduction:

India has large network of two wheeler's components manufacturing, which supplies components to the manufacturers around the world. This helps the manufacturers with high integrated supply chain, and helps to achieve its economy of scale at competitive price. The government is taking more initiatives for promotion and efficient manufacturing. Japan is the world's largest manufacture of the motorcycles and scooters, in the brand name of Honda, Yamaha and, India is the second largest manufacturer of tow wheelers with the popular brand name Hero Moto Corp, Bajaj Auto, TVS Motors, Kawasaki, Suzuki. "Hero Honda CD 100" was the first two-wheeler launched in Indian in the year 1985, by MotoCorp in collaboration with Hond. In the year 1990 tow wheelers marker slowly introduced scooters segments imported from Italy. However, the Indian two wheelers' markets developed its own scooters in the late 1990s.

The Tamil Nadu is one the states in India stands a key contributor in the two-wheelers industry, home for several major manufacturers and component suppliers. The Chennai city is the major contributor of tow wheelers manufacturing and home to major producers like TVS motors, Royal Enfield and Yamaha motor India are the major manufacturers having several hubs facilities around Chennai and manufacturing two-wheelers segments.

The Tamil Nādu Government is giving importance to smaller players in the two wheelers industry namely sree venkateshwars Automotives, major producer of electric scooters, and Ampere Electric Vehicles, produces electric tow-wheelers.

The government never fail to take several initiatives for the promotion and growth of the industry it includes providing infrastructure, and developing Chennai-Bangalore Industrial corridor and Chennai-Kanayakumari industrial corridor are few examples for the resent imitates towards boosting manufacturing and exporting of tow wheelers.

The consumer preference for two-wheelers varies and depending on different factors, such as age of the rider, gender, income and interest in using the vehicle, the tow wheelers market is decided by other factors such as price, fuel efficiency, brand, design and shape, features and benefits, and performance, in over all the preference of the consumer varies on the personal preferences like budget, and affordability, fuel-efficient, and easy to maintain.

There are other vehicles influences the consumer preferences on two wheelers, such as four wheelers and other mode of transportation. But though other options are available and influences the market, two wheelers remain high, and widely used vehicles in the rural and urban areas where traffic is congested and where other modes of transportation are not available to the remote range of places such as hillocks, tribal regions with steep ups and downs.

2. Review of literature

In view of norma Yadira Ramos Aranda et al. (2015) analysed the productivity in the Honda dealership in terms of several factors such as administration, Capital, and adoption of new technology and lesser difference in quality and quantity of manpower deployed. It if found that there was no significant relationship between the training offered and the level of productivity. And also, there was no positive relationship between perception of staff service offered and capital contribution in production of Playa Del Carmen, Syed Abdul Rehmanetal. (2017) focussed on the importance and challenges faced by the automobile companies in implementing the logistic services. The study has found that there are several challenges faced by the consumers such as willingness to pay, cannibalization, competition sprit and consumer negative perception. On the other hand, challenges from the market side such as lack of support from retailers, dealers and distributors. In addition, other extraneous variables such as appropriate strategies to deal with the challenges. Kumar (2018) pointed out that differences between the inter departments in dealership affects the production and sales also affects the smooth flow of the work, further dealership management norms and priorities creates conflicts between sales and management affected largely on sales and new dealerships.

According to Anjali patkeretal (2022) examined that the evaluation of external environment through PESTEL, it focused on four major factors which showed the positive and negative impact on the environment. They noted that the strengths of Maruti Suzuki India limited (MSIL) like extensive product line, largest presence in India. Offering affordable cars with features and specialised labour. additionally, m they indicated that the weakness such as no presence in premium and SUV segment, low interior quality, unchanged brand image and traditional marketing methods, in case of Navdeep Singh Thindetal. (2020) asserted that the reasons for the slowdown in automobile sales viz., shift from Bharat stage IV to VI, slowdown in the country's GDP, people relying on rapido, Ola, uber and car sharing platforms, improved quality of cars, spending on experiences rather than assets and no more small and affordable cars. Also, they noted that increased fines and tolls, increased car loan interest rates, increased cost of registration and insurance, upcoming era of electronic vehicles, cars now available on rental and lease waiting for more discounts and lower sales value in the pre occupied market.

The researchers Mangesh D.Jadhao and Kedar (2016) pointed out that the present scenario of Indian auto mobile service industries and factors affects the service quality such as management focus; customer focus, market focus and expenditure focus are playing effective functions on service network. And these factors also treated as one of the major components in improving the quality and improving the effective investment to develop the financial accountably.

3. Statement of the problem:

In the modern world technology is changing and developing faster according to the changing world business environment. Two-wheeler marker is not an exception one, innovation and invention hit the world.

Market is too competitive among that two wheelers market attempts to maintain its markets share by focusing on present customers. Thus, profitability of dealerships has decreased as facing more challenges and competition in the two-wheelers market and increased competitive pressure which highlights the necessity for dealerships prioritise increasing their operational efficiencies. This emphasises how crucial it is for dealerships to improve operational efficiency, particularly the productivity of the employee, as sales generate more income for an automotive dealer than any other department. Hence, this research has aimed to analyse the challenges of two-wheeler industry dealers in Tamil Nadu.

4. Objectives of the Study:

- To study the socio-economic profile of the select tow wheelers industry dealers in Tamil nadu
- To examine the challenges of two wheelers industry dealers in the study area

5. Hypothesis of the study

H1: There is no significant difference between age and challenges faced by the two wheelers industry dealers.

H2: There is no significant difference between educational qualification and challenges faced by the two wheelers industry dealers.

H3: There is no significant difference between Monthly income and challenges faced by the two wheelers industry dealers.

H4: There is no significant difference between Type of organisation and challenges faced by the two wheelers industry dealers.

H5: There is no significant difference between Size of organisation and challenges faced by the two wheelers industry dealers.

H6: Select variables are positively associated with the challenges of two-wheelers industry dealers.

6. Research Methodology:

This study is descriptive and quantitative in nature. Panel data is used for the study, which is collected from both primary and secondary sources. The structured questionnaire is used to collect data from the respondents. The questionnaire is being distributed among the two wheelers industrial dealers in Tamil Nadu for collecting data pertaining to the challenges faced by them. The secondary source of data is collected from the books, important Commerce and management Journals, internet sources. Based on the reliability criteria sample size is decided for the study so 250 samples were chosen and convenient sampling method is used for collecting data. The collected data are analysed by using statistical tools such as percentage analysis, mean, standard deviations, ANOVA and Correlation with the help of Statistical package for social science developed by IBM software solutions 22.0 version is used.

7. Results and discussions:

7.1 Socio-economic background of the respondents

The information belongs to the socio-economic background of the tow wheelers industrial dealers are presented in the table no 1

Table no 1: socio-economic background of the two wheelers industrial dealers

S.no	Independent Variables	Number of Respondents	percentage	Mean	SD
1.	Age				
	Below 20 years	19	7.6	4.03	0.48
	20 – 40 years	107	42.8	3.64	0.50
	41-60 years	73	29.2	3.67	0.52
	Above 60 years	51	20.4	3.79	0.59
	Total	250	100.00		
2.	Educational qualification				
	School level	49	19.6	3.92	0.42
	Diploma level	69	27.6	3.55	0.51
	Degree level	78	31.2	3.85	0.53
	Others	54	21.6	3.47	0.51
	Total	250	100.00		
3.	Monthly income				
	Up to Rs 5 lakhs	115	46.0	3.77	0.57
	Rs.5 to 8. lakhs	86	34.4	3.64	0.52
	Above Rs.8 lakhs	49	19.6	3.69	0.43
	Total	250	100.00		
4.	Type of organisation				
	Sole Trader	63	25.2	3.77	0.58
	Partnership	91	36.4	3.75	0.44
	Company	72	28.8	3.78	0.54
	Others	24	9.6	3.20	0.38
	Total	250	100.00		
5.	Company size				
	Up to 10 employees	79	31.6	3.62	0.56
	10- 20 employees	122	48.8	3.76	0.50
	Above 20 employees	49	19.6	3.74	0.53
	Total	250	100.00		

Source: Computed output SPSS

It is observed from the above table that 7.6 percent of the respondents falls under the age group of below 20 years, 42.8percent of the respondent's falls under 20-40 years age group, 29.2 percent of the respondents belongs to 410 60 years age group and the remaining 20.6 percent of the respondents belongs to above 60 years category.

The table show the details of educational qualification of the respondents, 19.6 percent of the respondents acquired school education, 27.6 percent of the respondents are diploma holders, 31.2 percent of the respondent's degree qualified and the remaining 21. 6% acquired other qualification.

The above analysis points out that 46.0 percent of the dealers earn up to Rs.5 lakhs per month, 34.4 percent of the dealers earn Rs.5.1 to 8 lakh per month, and 19.5 percent of the dealers earns Rs.8 lakhs as monthly salary.

The above table shows that 25.2 percent of the dealers are sole traders, 36.4 percent of the dealers have engaged partnership trading, 28.8 percent of the dealers maintain company and 9.6 percent of the dealers engaged in the other types of business.

The above analysis shows that 31.6 percent of the dealers have up to 10 employees in their industries, 48.8 percent of the dealers have 10-20 employees and 19.6 percent of the dealers have above 20 employees in their business

7.2 Challenges of Two wheeler industry dealers

The following analysis discusses that the challenges of two -wheelers industry dealers in Tamil Nadu. For this purpose, the researcher has developed eight statements relate to the challenges among dealers.

S.NO	Factors	Mean score	SD
1.	There is stiff competition	3.73	1.14
2.	Taste and preference of consumer vary frequently	4.10	0.91
3.	Those who buy vehicles on instalments basis fail to pay dues on time	3.69	1.05
4.	Companies demand higher deposit for dealership	3.60	1.18
5.	Huge expenses are required to be spent on advertisement	3.55	1.35
6.	Financial support is not adequately available	3.85	1.33
7.	New models are brought into the market frequently by the competitors	3.71	1.15
8.	Transportation charges are very high	3.45	1.16

Source: Computed output APSS

From the above table, the Cronbach alpha value for the statements of challenges of dealers is 0.865. This study confirms that the reliability of the challenges of dealers is good and fit for analysis. It is displayed that most of the dealers opined as 'Taste and preference of the consumer varies frequently' as mean score and standard deviations score is 4.10 and 0.91 and followed by it for "financial support is not adequately available" with mean score and standard deviations of 3.85 and 1.33 and so on.

TESTING THE HYPOTHESIS (ANOVA)

7.3 Relationship between socio economic factors and challenges of dealers

The researcher has examined the relationship between the socio-economic background and challenges of tow wheelers industry dealers in Tamil Nadu. In order to identify the relationship between the select independent variables and challenges of the dealers, the following null hypo thesis is developed and tested with the help of ANOVA test.

Age and challenges of dealers

H₁: There is no significant differences between age and challenges faced by the tow wheelers industry dealers.

Table no 3: Age and challenges faced by the two wheelers industry dealers

	Sum of Square	Df	Means square	F	P-Value
Between Groups	2.985	3	0.995	3.667	0.013**
Within groups	66.756	256	0.271		
Total	69.741	249			

Note: **significant at 1%

The above table no 3 shows clearly that p -value is less than the significant value of 0.05 and the null hypothesis is rejected. Hence there is significant relationship between the age and challenges of the two wheelers industrial dealers are accepted.

Educational level and challenges of tow-wheelers industry dealers

H2: There is no significant difference between educational qualification and challenges faced by the two wheelers industry dealers.

Table 4: Educational qualification and challenges faced by the tow wheelers industry Dealers.

	Sum of Square	Df	Means square	F	P-Value
Between Groups	8.453	3	2.818	11.309	0.000
Within groups	61.289	246	0.249		
Total	69.741	249			

Note: ** significant at 1% level

From the analysis it is found that p-value is less than the significant value of 0.05. Hence the null hypothesis is rejected and there were significant differences found when educational qualification is compared with challenges faced by two wheelers industrial dealers.

Monthly income and challenges of Two-wheelers industry

H3: There is no significant difference between Monthly income and challenges faced by the two wheelers industry dealers.

Table 5: Monthly income and challenges faced by the two wheelers industry Dealers.

	Sum of Square	Df	Means square	F	P-Value
Between Groups	0.836	2	0.418	1.498	0.226
Within groups	68.906	247	0.279		
Total	69.741	249			

Note: ** significant at 1% level

The above table shows the details of analysis, that p- value is greater than the significant value of 0.05 and null hypothesis is accepted. It is concluded that monthly income and challenges faced by the tow wheelers dealers are not significant so no more differences were found.

Type of organisation and challenges of Two-wheelers industry

H4: There is no significant difference between Type of organisation and challenges faced by the tow wheelers industry dealers.

Table 6: Type of organisation and challenges faced by the two wheelers industry Dealers.

	Sum of Square	Df	Means square	F	P-Value
Between Groups	6.956	3	2.319	9.085	0.000
Within groups	62.785	246	0.255		
Total	69.741	249			

Note: ** significant at 1% level

The above analysis shows that the p-value is lesser than the significant value of 0.05, so the null hypothesis is rejected and alternative Hypothesis is accepted, and concluded that there is a significant difference between Type of organisation and challenges faced by the two wheelers dealers.

Size of organisation and challenges of Two-wheelers industry

H5: There is no significant difference between Size of organisation and challenges faced by the tow wheelers industry dealers.

Table 6: size of organisation and challenges faced by the two wheelers industry Dealers.

	Sum of Square	Df	Means square	F	P-Value
Between Groups	1.008	2	0.504	1.811	0.166 ^{NS}
Within groups	68.733	247	0.278		
Total	69.741	249			

Note: ** significant at 1% level

From the above table it is identified that p value is 0.166 which is more than the significant value at 5 percent level that is 0.05. Hence null hypothesis is accepted and there is no significant difference between size of the organisation and the challenges faced by two wheelers industry dealers.

7.3 Degree of relationship between selected variables and challenges to Two-wheelers industry dealers

The following analysis is done to test the relationship between the select independent variable and dependent variables explained by different factors related to the challenges faced by the tow wheelers industrial dealers with the help of correlation analysis. For this purpose, the independent variables such as age, educational qualification, monthly income and company size.

H6: Select variables are positively associated with the challenges of two-wheelers industry dealers.

Table 7: degree of Relationship between selected variables and challenges of Two-wheeler industry dealers

S. No	Variables	Age	Educational Qualificatio n	Monthly income	Company size	Challenges
1.	Age	1.000				
2.	Educational qualification	0.197 (0.002*)	1.0000			
3.	Monthly income	-0.116 (0.067 ^{NS})	-0.070 (0.272 ^{NS})	1.000		
4.	Company size	0.278 (0.000*)	0.002 (0.970 ^{NS})	-0.103 (0.104 ^{NS})	1.000	
5.	Challenges	0.403 (0.000*)	-0.333 (0.000*)	0.274 (0.000*)	0.095 (0.133 ^{NS})	1.000

Note: significant at 1% level: NS- Not significant

It is concluded that among the four variables to variables namely age and monthly income are positively correlated with the challenges of the two -wheelers industrial dealers. Educational qualification having negative association. And on the other hand, the size of the business in not associated with the challenges faced by the tow wheelers industry dealers. The analysis provided that whenever age and monthly income increases their challenges of two-wheeler industry dealers also positively increase. Also, whenever educational level increases their challenges of two-wheeler industry dealer's decreases.

8. FINDINGS

- It is found that majority of the dealers are falling under the age group of 20-40 years. And found that the dealers who belongs to the age group 20 are facing more challenges as compared with other group of dealers.
- It is obtained from the study that majority of the dealers are qualified colleges level. The analysis confirmed that dealers who educated school level ae having maximum level challenges in two-wheeler industry.
- It is inferred from the study that majority of the dealers are earning up to Rs.5 lakhs in a month. The analysis examined that dealers who belong to up to Rs.5. Lakhs as monthly income are having maximum level challenges in two-wheeler industry.
- It is found from the study that majority of the dealers are doing partnership trading. The analysis revealed that dealers perform company are having maximum level challenges in two-wheeler industry.
- It is mentioned from the study that majority of the dealers have 10to 20 employees in their industries. The analysis illustrated that dealers belong to 10-20 employees as company size are having maximum level challenges two-wheeler industry.
- It is observed from mean scores analysis that most of the dealers faced challenges on “taste and preference of consumer vary frequently” and followed by “financial support is not adequately available” with the mean score of 4.10 and 3.85 respectively.
- The ‘F’ test shows the differences in the mean score between the group and within the group. Hence it is concluded that dealers are facing challenges in two wheelers industry when it compared with the age of the dealers.
- The Test of ANOVA inferences shows that there is a significant difference between challenges of tow-wheelers industry dealers with regard to the educational qualification.
- The ANOVA analysis for monthly income and challenges shows that there is no significant difference. It means that no difference can be found in challenges faced by the two -wheelers industry dealers in comparison with the monthly earning.
- It is observed from the f- test that there is no significant difference between the type of organisation and challenges faced. It means that there is no difference in facing of challenges by the different type of organisation engaged in the two-wheelers Business.
- There is no significant difference between the size of the company and challenges faced by them in two-wheelers business.
- The analysis is concluded that whenever age and monthly income of the dealer's increases their challenges in two-wheeler industry also positively increases as well as then educational level increases their challenges in two-wheeler industry decreases.

9. Suggestions

- The findings indicated that the dealers of two-wheelers industry who belongs to 20 years of age group are facing maximum challenges. This is due to their inexperience in the field of business and lack of marketing skills by the young dealers. To overcome this laxity the declares should hove innovative marketing campaign by attending workshops and training program of fabulous business people or attending business expos and interacting with the famous business people for getting idea to deal with marketing strategies.
- This study pointed out that dealers who educated at school level are having maximum level challenges in two-wheelers industry; this is due to not possessing specialised knowledge in the automobile industry. Hence recommend to learn special skills and knowledge to know about the source of increasing productivity and other skills.
- The industry with 10-20 employees is facing more challenges to overcome these hurdles the employees who are working in the present environment need to be motivated in such way to retain their strength and providing them professional ideas for dealing with sales strategies to have smooth career achievements.
- The company polies and norms of industry must be flexible to retain the employees and deal with the dealers and sub-dealers.

10. Conclusion

This research is done with the intention of analysing the day -to- day challenges faced by the tow-wheelers industry in Tamil Nādu. At present automobile industry is the largest industry and deals with domestic and non -domestic requirements. The challenges are inevitable one due to competition but from this study it is concluded that most of the challenges are faced by the two-wheelers industry is because of “Taste and preference of consumer vary frequently” and “financial support not adequately available” on the other hand challenges are also faced by the dealers based on their age, education qualification, level and type of organisation. Hence strengthening the field is an indispensable one, how it shall be strengthened, dealers need to introduce new marketing campaign, Norms and polices for performance evaluation, enhancing work culture, labour laws, and seeking assistance from Managerial expertise and conducting skill development programme to employees.

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