

## “A Study of Market Potential for School Busses” With Special Reference to Mahindra Truck Bus Division

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### ABSTRACT

*As we know that the tastes and preferences of consumers are ever changing and are not constant. Hence, it is very much important for the marketer to know the trend and pattern of the consumers buying behavior. We can get information regarding color, design, size etc. of the consumer by the study of his behavior. Thus, the study of consumer behavior helps the marketer in formulating the production policy of the company. This study focuses on the buying behavior of consumers and finding out the key buying factors which influence the perspective of customer buying. The main product in this study is the school bus and the main customer of the product are the schools in the vicinity of Sangli district of Western Maharashtra region. The objective of this study is to understand the concept and process of market research and explore and analyze the potential market for school Bus. The study includes research and information gathering of customer's satisfaction and expectations regarding M&M School Bus and identifying potential market for M&M School Bus.*

**Keywords:** consumers buying behavior, consumer preferences, market research

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### INTRODUCTION

This study is based on the fact that the Customers are periodically reminded and informed about the companies' products from time to time. Customers are asked to purchase the company products. They are persuaded and requested to make trial purchases. This type of information is communicated to the customers well in advance before the product is launched into the market. This becomes very much necessary for the information of the customers when a new product or service is introduced or launched in the market or an old product is improvised or the intention of the company may be to simply increase the sale of the products.

This study focuses on the buying behavior of consumers and finding out the key buying factors which influence the perspective of customer buying. The main product in this study is the school bus and

the main customer of the product are the schools in the vicinity of Sangli district of Western Maharashtra region

### IMPORTANCE OF THE STUDY

As we know that the tastes and preferences of Consumers are ever changing and are not constant. Hence it is very much important for the marketer to know the trend and pattern of the consumers buying behavior. We can get information regarding color, design, size etc. of the consumer by the study of his behavior. Thus, the study of consumer behavior helps the marketer in formulating the production policy of the company.

Consumer behavior is very much useful in building up ways for the more effective and efficient deployment of resources of marketing management. This will as help to solve the problems related to marketing management in a more effective and

efficient manner. A thorough understanding of consumer behavior helps in effective market segmentation, target marketing, and positioning of the product. Thus, the study of consumer behavior of any product or a service is of essential importance to the marketers in determining the destiny of an organization.

### Objectives of the Study

- To understand the concept and process of market research.
- To explore and analyze the potential market for school bus.
- To conduct a study that includes research and information gathering of customer's satisfaction and expectations regarding M&M School Bus.
- To identify and explore other potential markets for M&M School Bus.

### Scope and Limitations of the Study

Scope:

- [1] Geographic scope – The study covers the customers (SCHOOLS) located in villages of Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi Tehsil.
- [2] Analytical scope – The study ensures the fulfillment of the objective of the research.
- [3] Functional scope – The main scope of the study is to come out with the Key buying factors.

### LIMITATIONS

- (1) Research was limited only to parts of Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi Tehsils.
- (2) The project work needed more field work and travelling.
- (3) The number of respondents were limited to 250 only.
- (4) The respondents selected to be interviewed in some case were not available and willing to cooperate also in most cases the respondents were

found to not have the knowledge, opinion, attitudes or facts required for the study.

### Research Methodology

A research process consists of stages or steps that guide the project from its conception through the final analysis, recommendations and ultimate actions. The research process provides a systematic, planned approach to the research project and ensures that all aspects of the research project are consistent with each other.

### EXPLORATORY RESEARCH

This exploratory research study is carried out to investigate the answers to the research questions and not to go for the final conclusion of the problem existing. This research is done to know the nature of the existing problem and help understand the problem in a more better manner.

The data which has been used for exploratory research was

- (1) Primary data
- (2) Secondary data

### PRIMARY DATA

The primary data are that which is collected a fresh and for the first time. There are several methods used for obtaining information in primary data. The basic source of primary data is questionnaire, observation and interview of the respondents.

Questionnaire:

- (1) Questionnaire is the most common investment in collection of data.
- (2) Questionnaire was administered to the principal, transport in charge (if school is having busses).

### SECONDARY DATA

The secondary data are those which are collected by someone else and which have

already been through the statistical process. The data was collected in the form of company profile from company websites – ([www.mahindra.com](http://www.mahindra.com)).

(<http://research-methodology.net/research-methodology/research-design/exploratory-research/>) ([www.wikipedia.com](http://www.wikipedia.com)).

### Research Design

This Research Design constitutes of survey method in which the researcher has visited the customers of the company and interacted with them about their satisfaction level of purchase of school buses [1]. A predetermined questionnaire is prepared during the research process and questions like the type of customers, their socio-economic status, their utility benefit for bus usage, their need for bus, and information of bus as well as the parameters considered for decision making for purchase of bus, and the demand for a particular brand of bus is made under this study.

### Territory Allocation

The list of schools in Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi divisions were given to the researcher and work was to visit each school according to the list and by visiting the school's researcher had noted the name of the school, name of the respondent, number of buses and type of the buses [2]. If the customer is not having any plan to take the bus this year, researcher had enquired when the customer is planning to take the new bus by giving the brochures of the buses and even the contact information of the sales executives of Trendy Wheels Pvt. Ltd. Shirol to contact in future.

With the help of given data of schools, researcher visited around 250 schools in and around Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi. The data given by Mahindra Trucks and Buses

helped researcher to easily find the schools. The researcher had divided the areas depending on geographical locations.

The researcher covered many areas like Islampur, Ashta, Kadepur, Malkapur, Kokrud, Sagaon, Takari, Vita, etc. The given database helped researcher to visit the schools which are unknown in a particular area. This made the researcher to visit more number of schools in a given time period.

### School Coverage

The researcher visited 250 schools in Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi Tehsil. The researcher visited many schools in rural areas of these Tehsils. Most of the schools are small and not having any mode of transportation students come by their own ways, and these schools are not having any interest to maintain buses because of their less strength. Some of the schools are totally depended on the private buses or rented buses without owning the buses [3].

Schools like Alphonsa School, Vidyaniketan English Medium School, Rajarambapu Military School, Prakash Public School, Adarsh English Medium School Etc. buys their buses more frequently depending on their top management decisions.

In rural areas many of the schools are primary and they are not in a situation to afford because of their financial issues. Some of the schools are having sufficient strength and in a position to take the bus but they are not planning because the student studying in their schools are coming from nearby area [4].

Some school managements are showing interest in buying second hand buses rather than buying new buses and many school managements are depending on the views given by the drivers of the school buses.

**Sample Design**

Universe selected	School in tehsil's of Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi
Total schools	250
Population	Schools with and without busses
Sample frame	Schools with buses (44)/without busses (206)
Sample size	44
Sampling Technique	Selective sampling

Only 44 schools are selected for the study because these schools are the only schools which are maintaining busses and the

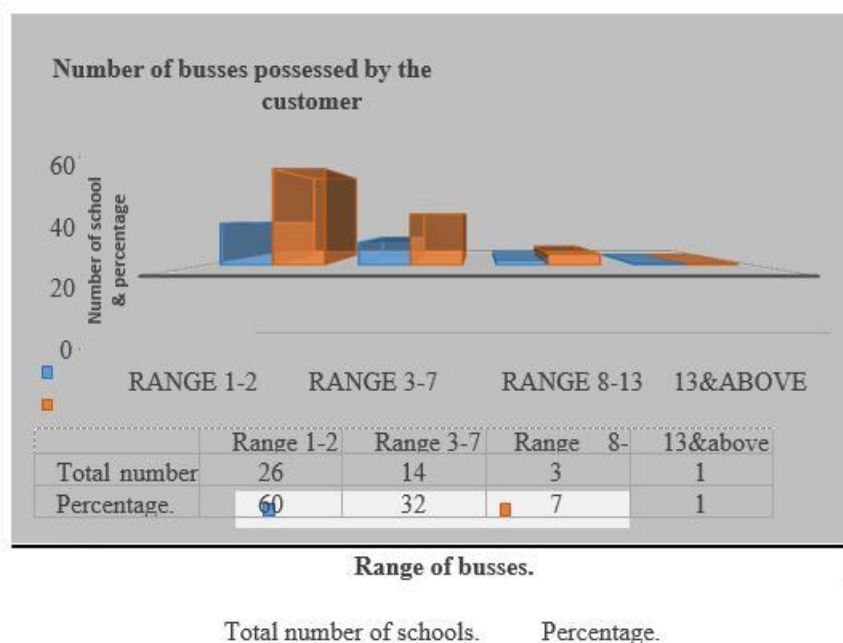
findings and suggestion will be applicable for other schools also.

**DATA ANALYSIS AND INTERPRETATION**

*Table 1. Number of school busses owned by school.*

S/N	Range	Schools	Percentage%
1	1-2	26	60%
2	3-7	14	32%
3	8-13	3	7%
4	13 and above	1	1%
	Total	44	100%

Source: Field survey data.



**Fig. 1.**

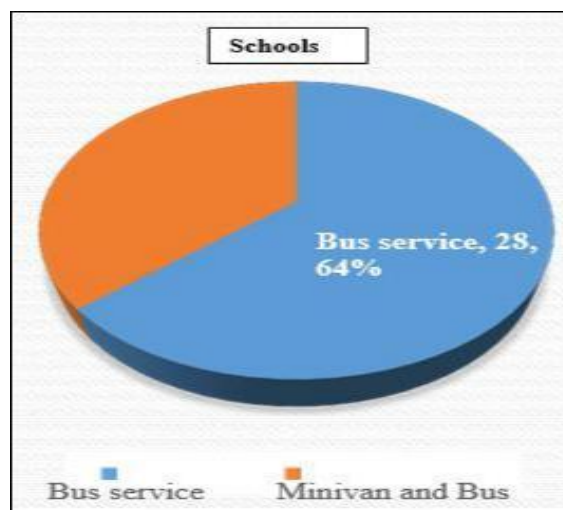
**Analysis**

Out of 44 respondents 60% of respondents are possessing maximum 2 busses, 32% respondents are possessing 3 to 7 busses, 7% of respondents are possessing 8 to 13 busses and 1% of respondent are having above 13 busses.

*Table 2. Type of transport service provided for students.*

S/N	Particular	Total schools	Percentage%
1	School busses	28	64%
2	Bus and minivans	16	36%
	Total	44	100%

Source: Field survey data.



**Fig. 2.**

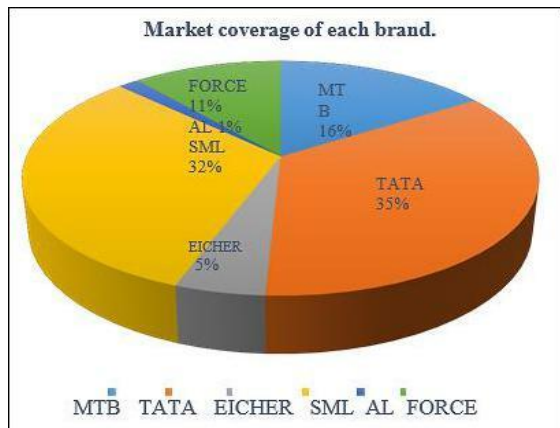
**Analysis**

Out of 44 respondents 64% of schools are providing only bus service and 36% of respondents are providing both school bus and minivan service.

**Table 3. Brand of school bus owned by school.**

Brand	No. of schools	Percentage%
Mahindra	10	16%
TATA	22	35%
EICHER	03	5%
SML	20	32%
AL	01	1%
FORCE	07	11%

Source: Field survey data.



**Fig. 3.**

**Analysis**

Out of 44 respondents the largest market coverage is of Tata busses with 35% share

followed by SML with 32% share and Mahindra at 16% share. It is also found out that Eicher, Ashok Leyland and Force motors together cover 17% share in two tehsils.

Note: There are many schools who are maintaining more than two brands of busses. That's why they are repeated twice in the table.

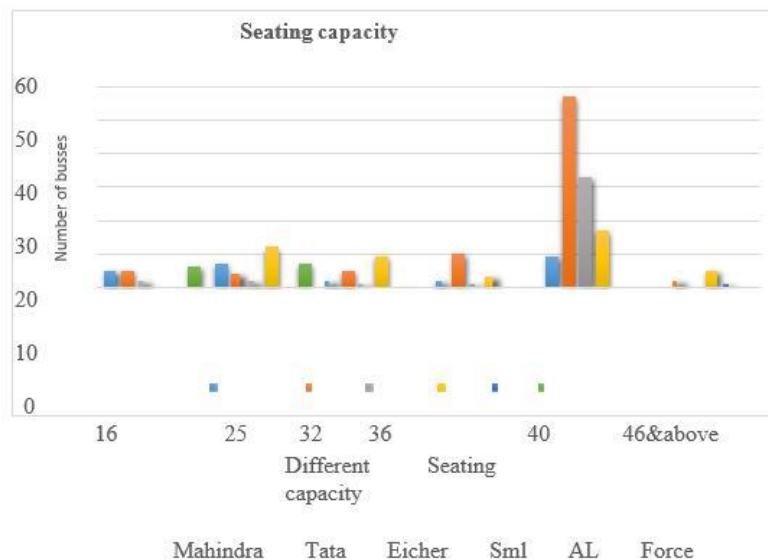
**Table 4. Seating capacity.**

Seating	Mahindra	Tata	Eicher	SML	Ashok Leyland	Force
16	5	5	2	0	0	6
25	7	4	2	12	0	7
32	2	5	1	9	0	0
36	2	10	1	3	0	0
40	9	57	33	17	0	0
Above 40	0	2	0	5	1	0
Total.	25	83	39	46	1	13

Source: Field survey data.

**Analysis**

Out of 207 busses in 44 schools, it is found that 40 seater busses are more preferred (59%). And 25 seaters are the second preference by schools (21%). 32 and 16 seater busses are less preferred (11% and 8%).

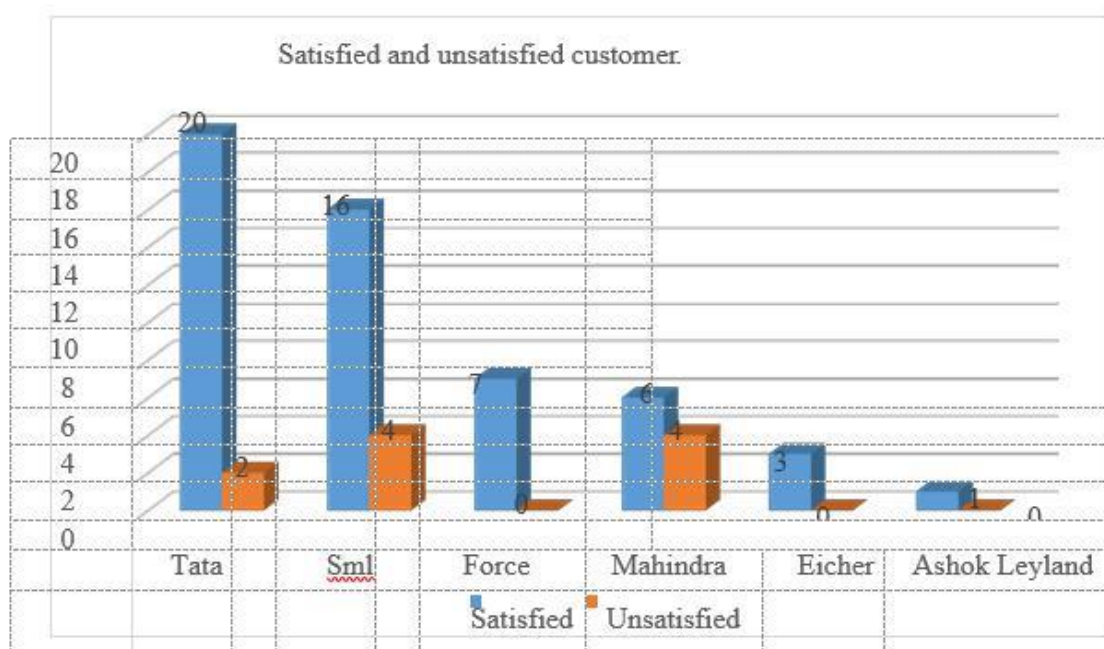


**Fig. 4.**

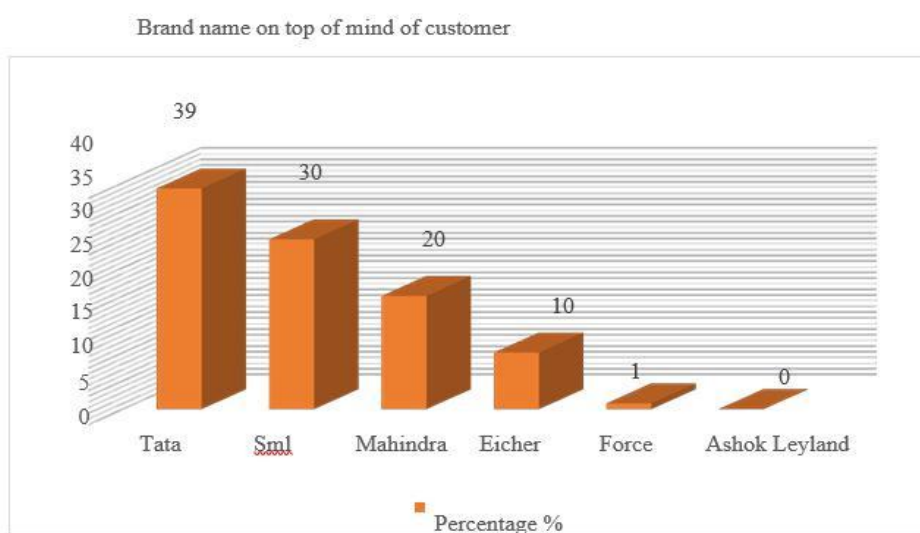
**Table 5.** Satisfaction level of each brand after sales service.

No.	Brand name	No. of satisfied respondents	No. of not satisfied respondents
1	Tata	20	2
2	SML	16	4
3	Force	7	0
4	Mahindra	6	4
5	Eicher	3	0
6	Ashok Leyland	1	0

Source: Field data survey.



**Fig. 5.**



**Fig. 6.**

**Analysis**

Out of 63 respondents 53 respondents are satisfied with the after sales service of

their respective brands and 10 respondents are not satisfied with the after sales service.

**Table 6.** Company name comes in mind on listening the word school bus.

S/N	Particular	No of respondents	Percentage%
1	Tata	17	39%
2	SML	13	30%
3	Mahindra	09	20%
4	Eicher	04	10%
5	Force	01	01%
6	Ashok Leyland	0	00%
	Total	44	100%

Source: Field survey data.

### Analysis

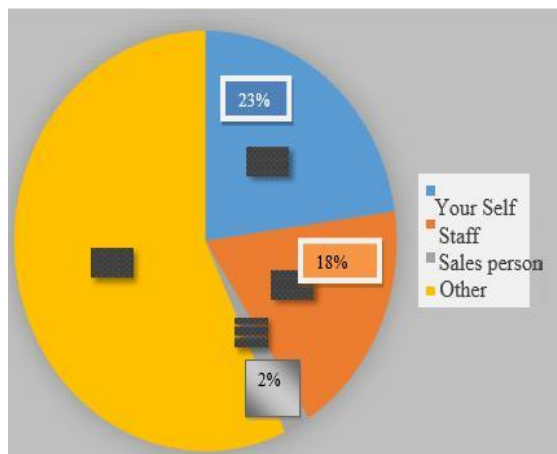
Out of 44 respondents 39% respondents recalled Tata as top of mind, 30% respondents recalled SML as top of mind, 20% respondents recalled Mahindra as top of mind, 10% of respondent recalled Eicher as top of the mind and 1% force.

Through the chart we can see that Mahindra stands third in terms of customer choice whereas Tata is on first and SML on second.

**Table 7.** Influencer while purchasing school bus.

S/N	Particular	Number respondent	of Percentage
1	Your self	10	23%
2	Staff	8	18%
3	Sales person	1	02%
4	Other (Admissions)	25	57%
	Total	44	100%

Source: Field survey data.



**Fig. 7.** Influencer while purchasing school bus.

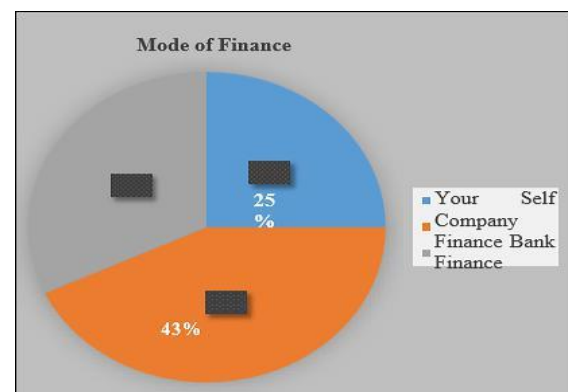
### Analysis

Out of 44 respondents 57% of respondents are influenced by Admission to purchase bus, 23% of respondents are self-influenced or motivated to buy a bus, 18% of respondents are motivated by staff persons and 2% of respondents are influenced by Sales person.

**Table 8.** Mode of finance of buses.

Particular	Number of respondent	Percentage
Your self	11	25%
Company finance	19	43%
Bank finance	14	32%
Total	44	100%

Source: Field survey data.



**Fig. 8.**

### Analysis

Out of 44 respondents 43% of the respondents prefer company finance, 32% of respondents prefer bank finance, 25% of respondents prefer to self-finance while purchasing new bus.

**Table 9.** Consideration of important key buying factors while purchasing school bus. (rank wise).

S/N.	Key buying factors	No of respondents	Percentage%
1	Price	13	30%
2	After Sales Service	10	23%
3	Fuel Efficiency	9	20%
4	Product Feature	7	16%
5	Brand	3	7%
6	Seating Capacity	2	4%
	Total	44	100

Source: Field survey data.

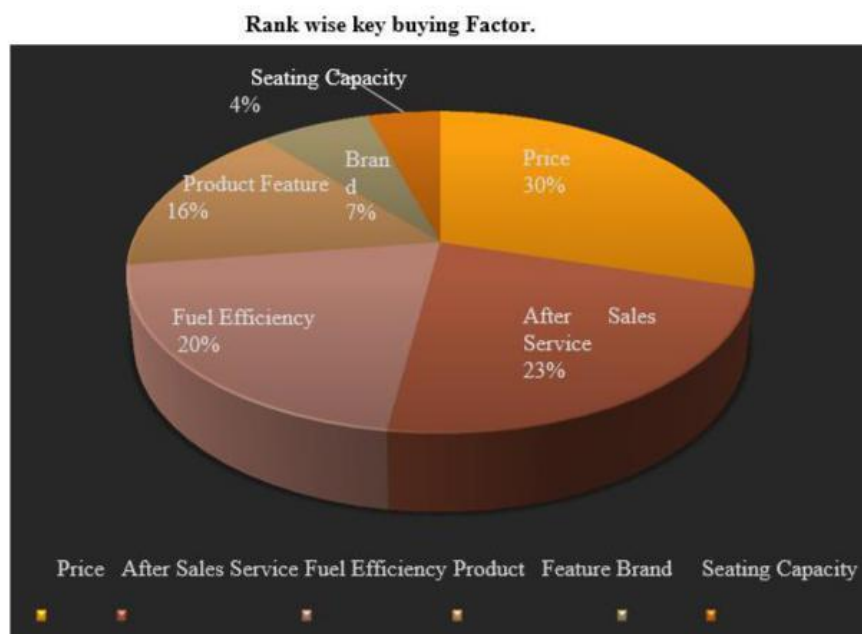


Fig. 9.

**Analysis**

Out of 44 respondents 30% of the respondents regard price as most important, 23% of respondent regard after sales service as important, 20% of the respondents regard fuel efficiency as important, 16% of the respondents regard product feature as important, 7% of respondents give importance to brand name and 4% of respondents give importance to seating capacity.

**Table 10.** Awareness of Mahindra range of busses.

S/N	Particular	No of respondents	Percentage
1	Aware	35	80%
2	Unaware	9	20%
	Total	44	100%

Source: Field survey data.

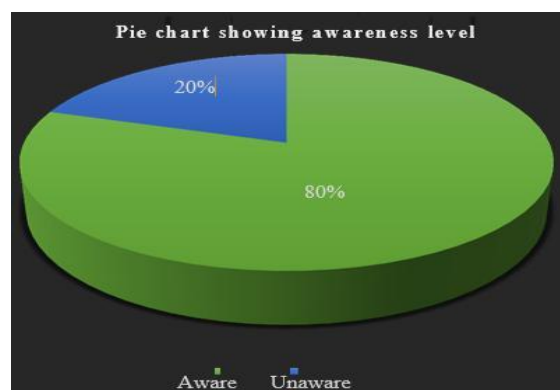


Fig. 10.

**Analysis**

Out of 44 respondents 80% of the respondents are aware of Mahindra range of busses whereas only 20% of the respondents are unaware of Mahindra range of busses.

**Table 11.** Major changes to improve sales.

S/N	Suggestion	No. of respondents	Percentage
1	Reduction in price	16	46%
2	Improve looks and design	15	43%
3	Improve dealer services	04	11%
	Total	35	100%

Source: Field survey data.

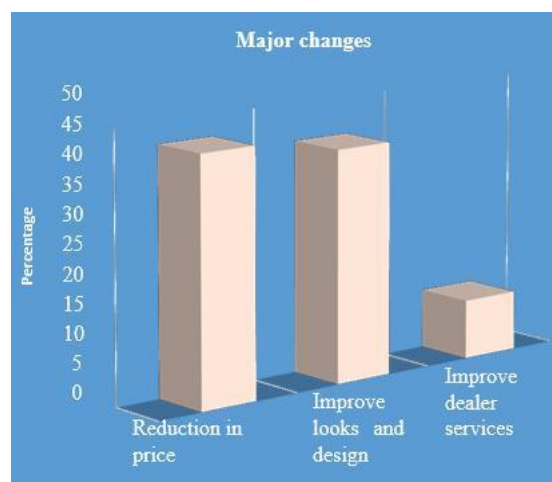


Fig. 11.

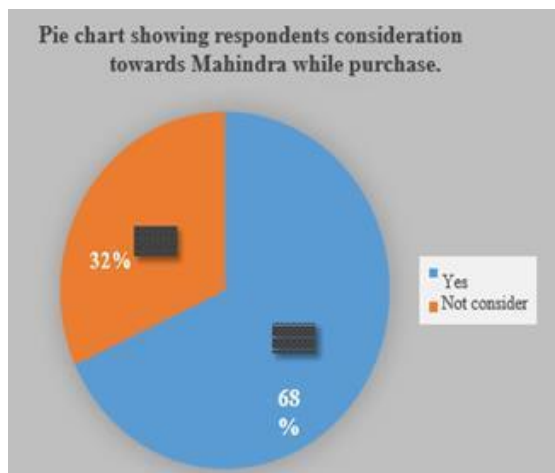
**Analysis**

Out of 44 respondents 46% respondents want that there should be slight reduction in price of the busses, 43% of the respondents have an opinion to improve looks and design and 11% of the respondents wants that dealer service should be improved.

**Table 12.** Consideration of Mahindra school bus in next purchase plan.

S/N	Particular	No. of respondents	Percentage
1	Yes	30	68%
2	Not consider	14	32%
	Total	44	100%

Source: Field data survey.



**Fig. 12.**

**Analysis**

**Analysis**

In the above table and pie chart we can clearly see that out of 44 respondent's majority of respondents are from Walwa region 27%, Shirala & Khanapur 18%, Kadegaon & Shahuwadi 13% and Palus 10% of respondents. Therefore, company can focus more on Walwa region for sales purpose.

**Findings**

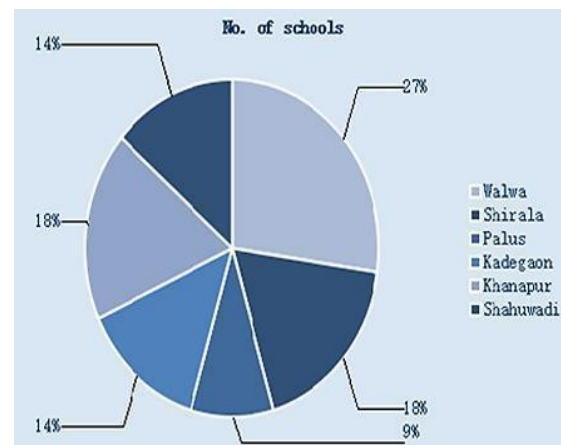
(1) It is found that 35% Tata and 32% SML is having more market share in Shirala, Walwa, Palus, Kadegaon, Khanapur and Shahuwadi region and are the major competitor of 16% Mahindra in school bus segment.

Out of 44 respondents 68% of the respondents have said that they will consider Mahindra busses in next purchase plan and 32% respondents have an opinion to not give consideration to Mahindra busses.

**Table 13.** Potential customer share region wise.

S/N	Regions	No. of schools	Percentage
1	Walwa	12	27%
2	Shirala	8	18%
3	Palus	4	09%
4	Kadegaon	6	14%
5	Khanapur	8	18%
6	Shahuwadi	6	14%
	Total	44	100%

Source: Field data survey.



**Fig. 13.** Pie chart showing region which have more potential customer.

- (2) Demand for 40 seaters (59%) and 25 seaters (21%) is high as compared to 16 seaters (8%) and 32 seaters (11%) which is comparatively low.
- (3) The mode of finance preferred by customer is majorly company finance and very less customer opt for self-finance.
- (4) 60% respondents are of the opinion that due to unavailability of spare parts they are not preferring M&M.
- (5) It is also found that majority (80%) of customer are satisfied with the after sales service of their respective brands and specially in case of Mahindra only four customers are unsatisfied by after sales service.

- (6) Major reasons are unavailability of spare part and not proper response to customer.
- (7) The maximum number of customer focus on Price, after sales service and Fuel efficiency while purchasing new school bus. (It means 60–70%.)
- (8) It is found that 68% of the customer will again consider Mahindra school bus in next purchase plan.

### SUGGESTIONS

- Company may think of providing good after sales service to their existing customer to improve customer relationship.
- Company may also work on the sales promotional activities of 25 seater and 40 seaters school bus because there is more customer preference to this bus segment more.
- Majority of customer (50–60%) prefer company finance so attractive offers can be offered to the customer while opting for company finance.
- Some pricing schemes and strategies can be implemented in order to offer competitive pricing to compete with competitors.

### CONCLUSION

Mahindra Trucks and busses is very well-known brand among customer and awareness level is also good about their offerings but during the research it is found that customers are using competitor's product more and Mahindra ranked third. During the study it is found

that 25 and 40 seaters school bus is having highest sell rather than small seater busses.

Tata school busses are having more market share in school bus segment than any other competitor.

The price of Mahindra school busses is higher than any other brands so price conscious customer may not go for Mahindra product. During the study it is found that customer wants improvement in the looks and design of the bus.

The customer focus more on price and also give importance to after sales service and fuel efficiency which attracts them to purchase the product.

During the research it is found that 68% of the customer will again consider Mahindra school bus in next purchase plan.

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