Motorcycle industry in thailand

Executive SummaryThai bike industry entered in Thailand since 1964. There are four chief participants in this industry including Honda. Yamaha. Kawasaki. and Suzuki. Even there are non much rivals but the competition among them are ferocious. Tai market for bike is in adulthood phase. This makes the participants have to utilize strong schemes to possess market portion. The dominant participant in this industry is Honda For client analysis. among four leader participants they rather focus client similar group. It might be because nature of merchandise is suited to certain group of people. However. they try to distinguish by focal point niche group with new life style. The common mark group is teenager to working age. This consequence in the manner they communicate to each mark group. As bike is merchandise that are high value so the degree of consumer engagement determination are high as good. Peoples try to analyze what advantages and disadvantage of each theoretical account in each trade name. Nevertheless. point of purchase in the sale point pays of import function. As we can see from the retail show room. publicities wide are really attractive and different among the stores.

Therefore. clients can non do determination from their place. Dealer in show room encourage clients to see the store to run into direct sale individual for the information. For competitory analysis. the participants are maintaining develop themselves peculiarly many schemes. Honda has the most capacity and gross revenues while other rivals besides grow continuously. They have different strength points. For illustration. Honda is the first Fuel injection system applied while Yamaha is 1st produced automatic type of bike and 1st produced Eco Motorcycle. For future tendencies. in short term. it will non much alteration in place of leader but they will seek to concentrate mark client narrowly and otherwise. For long clip Thai market might worsen. However. sale will travel invariably but non leap high because people will purchase new bike when they want to replace the old 1. Motorcycle Industry

Motorcycle industry in Thailand is turning dramatically. It is because proper geographical and economic construction. Particularly geographic. Thailand has a popular over 65 million people. The countries are level for the most portion. For some rural country it is much better to utilize bike and in the large metropolis with heavy traffic jam bikes have become the most convenient vehicle for speedy travel. Thai bikes industry was monopolized by the Nipponese fourtrade names are Yamaha. Honda. Kawasaki. and Suzuki. History

First phase: Import parts for assembly (1964-1977) – CKD phase

In 1964 Board of Investment (BOI) got a policy to advance bring forthing bikes in Thailand to replace imports. In 1966 Siam Yamaha Co. . Ltd is the first company which established bike assembly mill. Thai Honda Manufacturing Co. Ltd began to run as the 2nd mill in following twelvemonth. Then in 1968 Thai Suzuki motor Co. . Ltd was 3rd bike maker in Thailand. Subsequently in 1971 the market was sulky including increasing the figure of import used bike. Therefore. the authorities announced the policy to forbid import used bike. In the same twelvemonth. the authorities got the first bike industry policy. The important issue is the assembly bike maker have to utilize parts from domestic 50 per centum of all parts within 2 twelvemonth since the proclaimed day of the month (3 November 1971) to be competitory and suspension set up bike workss within 5 old ages from proclaimed day of the month (3 November 1971) to carry through economic system of graduated table. Until the terminal of the proclamation in 1976 Thai Kawasaki Motor Co. . Ltd established as the Forth assembly works. In 1977. the authorities required the bing bike manufacturer usage at least 70 percent local parts within 2 old ages. As for expand and new mill must utilize parts from local at least 70 per centum since start the operation. Furthermore. Industry ministry had a policy to delegate bike workss to bring forth bike with cylinder capacity non transcending 125 milliliter to run into the demands of the market and to take advantage of economic systems of graduated table (Economy of Scale) every bit good.

Table 1: Detailss of the bike makers in Thailand in 1977

HondaSuzukiYamahaKawazakiEntireCapacity (unit per twelvemonth)49. 92087. 36072. 00025. 000234. 280Capital (million Baht)20189552Employment (individual)1343045661001. 104Beginning: Bank of Thailand

Second phase: Began bring forthing parts in 1978-1987 – Localization

In 1978 there was a forbidden import bikes and raised import revenue enhancement to some peculiar bike from 40 per centum to 60 per centum including transit and insurance. The consequence of prohibited import and force to utilize parts inside state was the manufacturers increase their capacity. In 1980 the entire capacity was 338. 000 units per twelvemonth which higher 103. 720 units per twelvemonth from 1977. However. this policy provided manufacturers with higher production costs because of non proper economic system of graduated table and quality of parts in non criterion. As the manufacturers can take types of portion as they want so parts did non better and late improve. Therefore in 1984 the authorities allowed operators to utilize such parts bit by bit until 70 per centum of the entire value of the constituent in January 1986. In 1984 the authorities collected particular revenue enhancement for bike that import in particular instance 20 per centum of responsibility to be paid. It increased from the original import revenue enhancement 60 per centum of monetary value and increased import responsibility from 30 per centum to 40 per centum.

As for advancing the production of parts in the state. authorities ordinances require that makers of bike must utilize exhaust systems following industry criterion. They besides allowed merely mills that are promoted by Board of Investment (BOI) can spread out a fabrication works or permission to set up a mill to bring forth engine cylinder capacity non transcending 150 milliliter. The protection of bike industry policy during this period lead to the production of bikes increased from 190. 779 units in 1978 to 310. 083 units in 1987. with a entire production capacity in 1986 was 480. 000 units. including the production development and launch new manner of bike to market to hold more picks.

Table 2: Detailss of the bike makers in Thailand in 1980

HondaSuzukiYamahaKawazakiEntireCapacity (unit per twelvemonth)96. 000108. 000109. 00025. 000338. 000Rate of capacity use70. 186. 595. 775. 884. 0Capital (million Baht)20189552Employment (individual)3354601. 3781202. 293Beginning: Bank of Thailand

Third phase: Producing of import parts (1988-1997) – Key Parts Supplier This period the authorities continued to implement parts of the state are 70 per centum of the entire value of natural stuffs. The consequence advancing investing allowed makers to utilize bike engines produced in the state in 1989. In 1993 Board of Investment BOI promoted for 4-stroke bikes to assist cut down pollution from fumes and in the first investing the company is Kajiwa Motorcycles C. . Ltd. a joint venture with Italy. its one-year production capacity of 70. 000 units. Furthermore. authorities began to take attention of consumers' benefit by control monetary value of bike and protect monopoly.

Government assigned manufacturers must describe production cost and procurance attack since 13 December 1980 onwards The bike industry continued to turn at a high rate. Until it can bring forth up to 1. 6 million units and capacity use rate reached 90. 4 per centum in 1995. driven chiefly by the demand for bikes both inside and outside the state. Equally good as the consequence of the protection of the authorities helped Thai manufacturer better their capacity and ready to back up the growing of demand

Forth phase: Extending cooperation to the manufacturers parts (1998-2001) – Agglomeration

In this period. the makers of all types of portion occurred in Thailand. This included the types of electronic constituents. The makers were non merely the first Tier but besides include the 2nd grade. This made ?? high competitory among the manufacturers who produced the same types in same clip they had to run into the QCD criterion (Quality-Cost-Delivery) .

That was the manufacturers must bring forth the quality with low cost and on clip bringing. Consequently. 2001 Thailand bike industry could bring forth one millionunits and consumed the local parts (Local purpose) about 90 per centum. In add-on. authorities changed the policy of protecting domestic industry to necessitate the merchandises to be safe and do non destruct the environment.

Fifth epoch: export and research and development (R & A ; D) (2002 – present) Late 1990s was the period that authorities reduced the protection industry which was the consequence of a free trade understanding between the states in 1996 revoked the prohibition on importing new bike and canceled enforcement constituents produced domestically and un-enforced engine production in the state. In the fifth. Thailand became the production base of bikes in the part. Not merely production to devour in state but besides exported. In 2005. Thailand exported Complete built up (CBU) and Complete Knock down (CKD) . including more than 1. 3 million units Furthermore. Nipponese bike makers began to use research and development. engineering transportation from Japan to the receivers of investing. such as Thailand.

One ground for the demand to use research and development was because during this clip retail merchant monetary value was strong. Therefore. in order to vie. makers need to cut down production costs but the Nipponese bike makers had rigorous production conditions that utilizing choice natural stuff. This could take to lower production costs by applied research and development to cut down the losingss in the production procedure.

Figure 1: Show the bike industry. production. sale in the state and export in Thailand in 1972 – 2011.

Market AnalysisMarket SizeEntire bikes gross revenues for the domestic industry reached 2. 130. 041 units in 2012. of which 1. 062. 494 or 50 % were AT bikes. Family bike achieved gross revenues of 981. 865 units. accounting for 46 % of sum of gross revenues last twelvemonth ; followed by 32. 726 units for on- and off-road types. accounting for 2 % ; and 32. 083 units for athletics bikes. accounting for 2 % ; and another 20. 899 units of other types of bikes. Figure 2: Show market portion by types of bike

Figure 3 demonstrates market portion divided by bike companies. Honda is the dominant participant who possess market portion 74 % of the market. The 2nd participant is Yamaha addition 19 % . For Suzuki and Kawasaki earn 3 % and 2 % severally. Another 2 per centum belong to other trade names including Triumph. Ducati and Tiger

Figure 3: show market portion base on participants in the market

Thailand Motorcycle is divided into two classs based on the visual aspect which are Moped and Sport. Most bikes are moped with engine sizes from 100 to 125 milliliters while Sport got engine 250 milliliter. Thailand produces about 90 per centum of Moped. The remainder of the production is Sport type. It is consistent with sale of Moped are higher than Sport bike. In 2004 Moped bikes were produced most 2. 86 million unit. Figure 4: Show production and gross revenues of bikes in Thailand divided by type of vehicle in 1990 -2011 (in thousand units) . Beginning: Thai

Market tendencyThai bike industry already exists in Thailand 49 old ages since 1964. Product life rhythm of bike spend long clip. Many are of the sentiment that the Thai bike market begins to a phase of impregnation. but it has non lowered competition among makers. On the contrary. the competition is every bit ferocious as of all time despite the little figure of major participants compared to the car market. This state of affairs encourages the participants have to establish new interesting merchandise on the clip. Manner and life style are used to make emotional though the merchandises.

Many bike companies try to accommodate themselves to function consumers to acquire beyond map of bike but show consumer's life style. Thailand is a state with a big market size bike. The keeping bike proportion is 4 people per vehicle. The current version of the bike in Thailand has begun to be economic theoretical account. The chance to spread out the domestic market began to worsen. Current gross revenues are the purchased to replace old vehicles. This may ensue in diminution ability to pull investing to Thai bike industry. Situation of Thai Motorcycle Industry

From the 1990s onwards the bike market in Thailand continued grew. Until the economic crisis in Thailand in 1997 (Asiatic fiscal crisis or Tom yum kung crisis) made bike gross revenues volume decreased significantly. The gross revenues originally sold about 1 million vehicles per twelvemonth. and dropped to about half million in 1998. Nevertheless. merely 2-3 old ages after the economic crisis. the bike market the gross revenues volume increased continuously in 2001 sold about 907. 100 units and 1. 3 1000000s subsequently in the following twelvemonth.

The volume of gross revenues back to the original degree before the economic crisis of the country's bike market is turning by the twelvemonth 2005. the volume of gross revenues to 2. 11 million vehicles most. For 2012. the sale climbed to 2. 13 million which was higher than 2005. In 2007-2009. the gross revenues dropped due to great recession which affected the full universe economic system. After the planetary recession. the gross revenues continued to increase twelvemonth by twelvemonth. To increase gross revenues motorcycle makers try to advance sale with many ways. Figure 5: show sale volume of Thailand Motorcycle 1993-2012

Strength and failing of Thailand for investing in Motorcycle industry (compare to ASEAN state)StrengthFailingPublic public-service corporation and transit system are equippedInvesting benefits received from the authoritiesQuality and engineering bike production baseLaw conducive to investingMarket size is smaller and acquire in impregnation phaseSocial and politic stableness are diminutionHigher payDeficit technician degree labour

Thai bike industry has a batch of strength over rivals. The makers are convenient making concern and operation. Although labour costs are higher than other neighbor states. other good strength can cut down the other costs such as direction cost. concern operation. transit. and distribution costs. Thai bike market besides provides sufficient criterion quality for exporting to developed states such as Japan. USA. and UK. At this point Thailand should keep the criterion and better the bing strengths. In term of develop public public-service corporation and conveyance system. although Thailand are rather ready. other neighbour states besides continuously better peculiarly Indonesia and Vietnam.

There are likely in the future both states will replace this advantage. Thailand should rectify the failing peculiarly maintain societal and political stableness. It becomes the major issues which affect the investors' assurance including country's way in short and long term. In term of labour issue. they should better accomplishment of labour to counterbalance with higher pay. As Thai bike market acquire into impregnation phase nevertheless they can spread out investing to export in order to keep the bike production base for the hereafter. Five Force Model Analysis

Industry Rivals and Intensity of RivalriesRivalry among rivals in the bike industry is comparatively intense. While each major rival has its ain market niche. monetary value discounting. new merchandise debuts. advertisement runs. and inventions in bike engineering systematically fuel competition between houses. Rather than viing based on monetary value. the major participants in the bike industry tend to vie based on services and characteristics. Each major company offers different types of merchandises targeted to different consumer sections. There is a high degree of distinction between categories of merchandises and trade names. doing high shift costs for consumers. Accessories and parts are produced for one specific trade name. In add-on. borders are non low. and the merchandise is non perishable. Because of these factors. competition does non be given to gravitate towards monetary value every bit much as other factors.

Even though monetary value is non the chief footing of competition in the bike industry. the strength of competition is really high. The industry is composed of five distinguishable leaders. each of which is big and has high trade name equity. Because the industry lacks a unequivocal leader.

challengers end up poaching each other's concern. Additionally. the sheer figure of rivals in the market in add-on the chief five creates an copiousness of buying options for the consumer and do heavy competition. Rivals in the bike industry have diverse attacks and thoughts on how to vie. While one company might believe that adding new characteristics to their merchandises will assist hike gross revenues. another company might believe that increasing velocity capablenesss will be more good. Another company might believe that offering easy funding is the key.

Dickering Power of SuppliersA figure of bike makers involved in the industry in such a manner that the pyramids upside down and the bike makers and parts providers are related to associate backwards (Backward Linkage Effect) Motorcycle productions of Nipponese makers in Thailand (Big 4) are the leaders of the market including Nipponese producer's parts. Thai producers' parts are 15 per centum of the value of buying all the parts of the bike. The manufacturers must hold possible to bring forth to run into QCD criterion. For local content. it found that Nipponese makers use more than 90 per centum of stuff and electronic parts from Japan.

For the 1st Tier of portion makers are mid-sized concerns and joint ventures with aliens who largely are Nipponese. In the 1990s. these are called OEM12 production until mid- 1990 onwards. as makers of bike parts can purchased from other foreign states with inexpensive monetary value. This force per unit area affect on the first grade makers to better efficiency of merchandise design and development capablenesss. For the 2nd and 3rd Tier of manufacturer parts are little endeavor owned by Thai people. Technology in capable of bring forthing is rather low. The makers in this group will sell parts to the first grade. including one for a replacing (REM14) both locally and abroad. Dickering Power of Customers

The huge bulk of the bike industry’s client group consists of single consumers. Motorcycle clients are merely mildly monetary value medium. Since a bike is a comparatively expensive point and therefore a important fraction of income. purchasers are likely to seek a favourable monetary value. Besides. since bikes are normally a luxury purchase. the purpose to purchase one indicates the willingness to pass a important sum of money. More significantly. clients are much more sensitive to quality and trade name image than monetary value. A bike purchase is a contemplation of one’s individuality and influences how others perceive them.

Menace of New EntrantsThe adulthood. big figure of rivals. and high capital demands needed to come in the bike industry make it a reasonably unattractive industry for new rivals to come in. A more complete and elaborate analysis of the seven barriers to entry will demo the bike industry to be a hostile. unreceptive environment for new entrants. As a mature industry. current rivals enjoy the benefits ensuing from economic systems of graduated table. Established bike manufacturers have the luxury of lower costs per unit because they can apportion their fixed costs to a larger figure of merchandises. New entrants do non hold as big of a demand and must administer their costs over a smaller measure. Because of this. single costs per unit are larger. ensuing in a higher merchandise monetary value. Besides the trouble new entrants find in pulling clients. another hindrance to entry are the high capital demands demanded by the industry.

Characteristic of a mature industry. monetary value is no longer a differentiating factor among similar merchandise offerings by different rivals. Leaderships in the bike industry. such as Yamaha. now differentiate their merchandises by supplying “ high-value-added products” at their ain franchises. For new entrants to come in the market and take away current market portion from bing rivals. high capital investings in substructure. franchises. development of new merchandises. and publicities aiming specific client sections are required. High capital demands. increasing demand. and specialised merchandises are factors lending to the high barriers to go out the industry. Current rivals keeping the bulk of the market portion are hesitant to go forth the industry because of the positive industry mentality and niche markets each have carved out for themselves. With few companies go forthing the industry. it leaves really few market sections untapped and available to new entrants.

SubstitutesWhen analysing the competitory menaces on the bike industry as a whole. the bike trade association members must maintain in head three chief replacements of bikes: bikes. undersized autos. and public transit. Each of these replacements can be farther broken down into subcategories. Each class is considered a replacement for bikes because it either satisfies at least one of three costumier demands that motorcycles satisfy. or it gives the costumier something that bikes do non offer. Though the degrees of menaces posed by each class of replacement differ greatly. the bike trade association members must be certain to turn to each of them when make up one’s minding where to travel from here. Most significantly. maintain in head that these menaces are of all time present. and if the assorted bike makers do non move shortly. they will put on the line losing clients throughout the coming old ages.

First of all. it is of import to understand what motorcycles do for purchasers because this sets up a model for the implicit in motive behind the purchase of any type of bike. Since the bike industry is responsible for planing and fabricating approximately seven different sorts of bikes. or other automatic two-wheel vehicles. several client demands are met by each class: agencies of transit. low fuel costs. environmentally friendliness. recreational activity. and " cool factor. " In add-on. we will analyse another factor that motorcycles lack compared to possible replacements – safety. Bicycles are besides a menace to the bike industry based on a few critical factors. First. as two-wheel transit vehicles. they are similar in basic map to bikes. fulfilling the consumer demand of basic transit from point A to point B. The ground why bikes make feasible options to bikes is related to the consumer's need to pass less money. Bicycle proprietors incur zero gas milage costs. doing this alternate the most environmentally friendly option. To be proficient. the lone existent costs associated with bikes are the upfront purchase. care. optional accoutrements. and human labour.

In add-on. bikes satisfy the consumer's demand for recreational activity similar to bikes. Anyone from the mean consumer to the devouring biker can utilize a bike as an alternate agencies of out-of-door diversion. Compact autos and loanblends (Eco auto) are the concluding and most influential categorization of replacements that pose an immediate menace to the bike industry. Overall. both types of autos present high shift costs to the consumers. For the consumer who is interested in exchanging to a bike. high shift costs could be a extremely motivative factor to non purchase a bike at all. Loanblends are chiefly replacements because they satisfy the customer's demand for a fuel-efficient manner of transit. For many consumers. increased safety is a actuating factor in purchasing a compact auto over a bike Public Transportation can be one option for travel to destination such as boat. cab. BTS. and coach. Peoples would wish to take public transit to assist them in many advantages. For illustration. in Bangkok traffic is so jam. Peoples really prefer BTS or MRT to go to avoid traffic every bit good as more convenience. Another illustration is people who avoid hot conditions and want to maintain their visual aspect during the manner to travel to office. They might prefer taxi alternatively of bike. Key Success Factors

1. QualityQuality is a key in this industry because it is vehicles that need safety. The maker must follow with needed merchandise criterions. A cardinal success factor for a house runing in this industry is their ability to plan and develop merchandises that comply with legal criterions. Merchandises that do non run into criterions are non able to be sold on the market

2. Design

Consumers tend to concentrate on design and characteristic which suited with their life style. The makers attempt to offer new merchandises to function with every life manner particularly. automatic bike. Motorcycle Companies do research in analyzing consumer behaviour to cognize what consumers prefer and concentrate what consumer demand.

3. Technology and salvage energy

In this economic state of affairs. people tend to look for the most deserving merchandise. Manufacturers should maintain abreast of latest technological progresss in assorted constituents and parts. every bit good as proficient and public presentation features. 4. Distribution centre

Distribution centre or show room is the 1 that unfastened manner to consumer easy entree purchase. This is the ground why companies improve image of trader show room around state. They besides increase figure of shop into little metropolis because in little metropoliss people still need to utilize bike in day-to-day life. Equally good as develop the show room to be one halt service which can function after sale service. 5. After sale service and activities

Many consumer give importance to the after sale service because bike is lasting goods that consume clip to utilize. Some consumers use their bike more than 5 old ages. After sale service include service head. monetary value. and clip of taking attention every bit good as parts to mend. For the activities. this subject includes consumer relationship and sale publicity because it is of import factor that motivate consumer purchase the merchandises. Point of purchase dramas of import function such as low down payment. free 1 tical gold and zero per centum installment payment.

Factor that affect alteration1. Minimal payTai authorities announced the policy to increase minimal pay to be 300 tical. This addition pay cost 80 % of mean minimal pay. This policy is really important to Thai labour market. It provides both advantages and disadvantages. For the advantage. the policy aid all labours in Thailand earn more income. Human being gets better because people have more money and they can pass a batch in the market including buying new bike. As a consequence to figure of sale in 2012 were more than 2. 1 million units However. there is besides drawback. The industries have to pay more cost including pay and besides more expensive parts. Price of parts are acquiring higher peculiarly in-between size and little size because of little economic system of scale 2. Technology

Technology is one factor that affects alteration of the bike industry. As for Honda. the market leader alteration motor of all theoretical accounts to be fuel injection system since 2008. Honda alteration production line to function this invention. This affects all participants to alter every bit good. Yamaha is the 2nd participant who changes to fuel injection system to be 62 per centum and carburettor still utilize 38 % . So. Yamaha sent the first automatic injection was spark 135i. For the 2nd theoretical account. Yamaha tried to function adult female demand. They launched Fiore which uses automatic engine with a mastermind injection engineering YMJET and DiASil Cylinder that make it less fuel ingestion. While Suzuki besides produce with electronic gasoline injection. Therefore. the participants in this industry have to better all the clip and make research and development in order to offer the better solution to consumers.

3. Catastrophe consequence

After Thailand has suffered with large inundation in 2011. Thai bike industry is one industry that gets direct consequence from this state of affairs. Factories have got harm in many countries. They have to retrieve their mill and make protect system to get by for unexpected catastrophe. However. it did non impact much to sale because consumers want to purchase new bike to replace the harm one. Sale of whole market tends to increase as tendency.

4. EconomicIn this economic state of affairs. people tend to salvage money and careful in disbursement. World economic is besides unstable. The causes are from many effects such as public debt in EU. US economic has non recovery yet and financial drop and universe political. Back to see Thai economic. cost of populating keep increasing. Consequently. people are carful in disbursement. They will analyze information and acquire involve to see before buy merchandise peculiarly bike.

5. AEC gapAs Thai bike industry is in impregnation phase. the leader participants try to travel to other state in AEC. The bike manufacturers will utilize Thai as production base and export to our neighbour states. This issue encourages Thai have to better themselves particularly skill workers both technician and linguistic communication accomplishment. Table 3 shows the possible if the bike makers want to run concern in each state.

Table 3: Population. income. figure of bikes in the ASEAN CountryNumber of occupant in 2009 (million)Income per individual to the buying power between states 2009 (US $) Number of bike (thousand)Number of individuals keeping one bikeDutch east indies243. 33. 83028. 000*9Filipino92. 23. 9002. 983*31Vietnam87. 32. 70020. 366*4Siam67. 85. 99016. 5494Union of burma50. 01. 2901. 63031Malaya28. 313. 7408. 9033Cambodia14. 81. 820751**20Lao people’s democratic republic6. 32. 060n. a. n. a. Singapore5. 147. 94014735Brunei0. 450. 20012*33Association

of southeast asian nations5964. 52080. 000 (Round)7* 2008. ** 2007 Beginning: Population Reference Bureau. CEI. Collected and calculated by Kasikorn Research

Customer AnalysisCustomer is one of the most of import drivers for concern success. Most concern attempt to function goods and services harmonizing to client wants and needs to run into the client satisfaction and go well-known trade name recognized. Furthermore most of them are concern more about bend general client to be their client trueness excessively. So. understand client behaviour is needed for concern development. Consumer behaviour

An analysis of consumer behaviour is affected by a host of variables runing from personal. professional demands. attitudes and values. personality features. societal economic and cultural back land. age gender professional position to societal influences of assorted sorts exerted a household. friends. co-workers. and society as a whole. The combination of these factors help the consumer in determination doing farther psychological factors that as single consumer demands. motive. perceptual experiences. attitudes. the learning procedure. personality features are the similarities which operates across the different types of people and act upon their behaviour.

With competition in the bike market continually increasing. understanding customers' attitudes and behaviour is critical to keeping and turning market portion and profitableness. The decisions of consumer behaviour while purchasing bike are: 1. Maximal bike users belong to 18 to 25 old ages age group and most of the users are college pupils and field workers. 2. Maximal bike users belong to middle category and upper in-between category section 3. These are the grounds for purchasing two Wheelers:

Good milage and convenienceBusiness intentCost effectualComfort thrust in crowd and easy parkingCollege traveling purposeShort distance travel in metropolisLow-cost monetary valuePersonal vehicle4. Equally far as milage per litre of gasoline is concerned. 5. Reasons for non purchasing scooter: It has low milage and low fuel efficiency. It has job with commanding. reconciliation and interrupting on velocity. Old manner and old mannerIt is non good for long thrust and non a comfy thrust.

It doesn’t fit the immature person’s dynamic personality 6. Almost all the people give penchant to stylish mentality. control. milage. efficiency & A ; trade name image before purchasing bike. 7. Television advertizement. route billboards and route shows are the major beginning of information which affects bike purchased. 8. Family members and friends are chief instigator. for buying a bike. 9. All the people are satisfied with the operation of their bike. 10. Sing trim parts of bike. they are cheaper and readily available in the market. 11. All the people are satisfied with the operation of minibikes and they don’t have any vacillation to urge to others to purchase a bike.

The trade name perceptual experience is dependent largely on the peripheral cues depending upon the nature and quality of the service provided along with the pricing. care. handiness of trim parts and related issues.

Furthermore. traders play a really of import function in constructing up the trade name perceptual experience of the autos. Since traders are the linking nexus between the clients and the makers therefore going the most of import nexus in fall ining the company to its clients as he is the individual who will sell the merchandise. will present it and will maintain on supplying the after gross revenues services to the clients as and when required.

Dealer as a portion of customers' satisfaction journey with the merchandise called bike. Their propinquity to the clients. the service provided by them and the relationship maintained by them with the clients helps the bike companies to set up and reinstate the trade name personality communicated by them to the clients. Target Market

In overview. the little size bike is popular for client in Thailand because Public transit is non distributed around state and people thinks motorcycle siting is cheaper than auto drive. So the intent of bike buying now is for compensate the old one.

A mark market is composed of people who are most likely to be possible clients. For illustration. the mark market for a low powered. commuter minibike is likely to be: A worker. transposing a comparatively short distance to and from his/her workplace. An environmentally cognizant individual. who wants to protect the environment by cut downing his /her C pes print A individual who does non desire to trust on public conveyance

The type of individual who wants the independency of their ain conveyance. so that they can go when they want Possibly. a individual on a little budget. unable or unwilling to pay for the running costs of a auto local trader as a public dealingss exercising. for advertisement merchandises. and for increasing promotion.

For this study we are traveling to concentrate merely four chief makers in the Thai bike Industry as following

Thai Honda ManufacturingHonda is the largest bike maker in Japan and be the most outstanding bike trade name in Thailand with the highest market portion. Honda has remained on the taking border by making new value and supplying merchandises of the highest quality at a sensible monetary value for world-wide client satisfaction. There are four sorts of Honda bike

1. Family: Honda wave series2. A. T. : Scoopy i. Forza 300. Zoomer-X. Honda cilck. Spacy one etc. 3. Sport: CBR and MSX series4. On and off: CRF series

Three major theoretical accounts from Honda still topped the market. Honda Wave accounted for 64. 784 units ; Honda Scoopy i 33. 876 units ; Honda Click 125i 23. 048 units. This implies trust among Thai clients towards the trade name. doing Honda the leader in the household and AT sections. Apart from the major theoretical accounts. new theoretical accounts on a regular basis introduced by Honda aiming new client groups have besides received a positive response. For illustration. Honda PCX150 and Honda Spacy I are carry throughing the AT section ; Honda CBR150R and Honda CBR250R remain the most favourite in the athletics section. Consequently. Honda has maintained their market leading in all sections and rocked the industry with new merchandises for clients all these old ages.

The lifting buying power among the younger clients is an interesting factor. The clients have become more confident in disbursement as the country's economic system has become more stable. The AT bike aiming on the younger clients achieved half of Honda's new enrollment in June. Honda reached 102. 147 units. of which 60. 340 or 59 % were AT bikes. Family motorcycles achieved gross revenues of 94. 372 units. accounting for 46 per cent of entire of gross revenues in the month. Honda posted the largest gross revenues in household class of 80. 098 units. or 85 % . That decidedly implies trust among the clients towards our trade name. And that makes us the leader in every market section. ”

The market in the 2nd half tends to turn. despite a less outlook. thanks to the turning economic system. Monetary values of agricultural merchandises have become more stable and the unemployment rate has remained low. Consequently. clients have more confident in disbursement. Decision

The household bike is the best marketer of Honda. following is AT bike. The clients decided to purchase Honda Wave which is household bike because salvaging fuel. salvaging cost. Another ground is Honda ever launches the interesting publicity for renting purchase with no down payment and low involvement rate. Furthermore. they trust in Honda Brand that really celebrated in quality. safety. and sensible monetary value and good after sale service. For the AT bike. the company focal point on stylish design and colorful for both work forces and adult females along with the publicity for adolescents such as Movie bonus purchase 1 get 1 ticket for Honda member. fall ining with game on-line company like Asia Soft to supply particular activity for the Honda Click Play clients etc.

The present clients are working people. household members. adolescents and pupils. The expected mark clients are younger clients who has ne’er experienced in siting bike. Honda predicts this tendency by detecting the sale in June this twelvemonth showed that The AT bike aiming on the younger clients achieved sale for 59 % while household bikes achieved gross revenues for 46 % of sum of gross revenues in the month. The high possible client in the hereafter. Honda focuses on the purchaser who has over 25 ages. So the company launched the new run “ Fun” bike. All theoretical accounts are 125cc. 220 milliliter and 300 milliliter. Honda sets their monetary value in higher rate than others model. Most clients purchase merchandises from traders of Honda.

Thai Yamaha MotorFrom the economic state of affairs non merely bike industry. the overall of Thailand industry is still quiet since first period of twelvemonth. All concerns have to maintain eyes on the market month-by-month. These state of affairss consequence to client behaviour that is changed by diminishing the unneeded disbursal along with the debt per household is higher. So the clients do non desire to purchase new bikes. From this point. the company set up more strength program with focal point more on direct contact with clients. Yamaha participates with the traders in order to increase merchandising. Particularly set up the selling scheme by utilizing more below-the-line publicity for stimulate clients go into stores.

From the researches and client behaviour analysis. Yamaha found that most clients have money in manus but they are non purpose to purchase. However. the clients who want to alter their autos. they have willing to buy in one twenty-four hours so Yamaha concerns this point and response the demand of client by move outside to reach straight to clients. Yamaha has clearly policy that does non desire their traders compete by lower the monetary value but persuade the clients by the particular publicities and options and giving keepsake or premium merchandises to consumers such as vintage helmet. It is better than lower the monetary value and could be making good client behaviour to market. Yamaha divided client in to 3 classs as followers:

1. Demographics CleavageBy age ; 15 -22 old ages (adolescents) . 23-35 old ages (working age) and over 36 old ages (grownup) 2. Psychographic CleavageBy personality ; enthusiastic. self- confident and socialise. escapade and love altering 3. Behavior SegmentationBy penchant ; high quality and stylish

With the intent of increasing client satisfaction by distinction with its merchandise design and characteristics. selling activities and the futuristic salesroom construct. the company focuses on the activities that reinforce trade name trueness among its clients. First is the debut of new theoretical accounts with regular updates. In the automatic section. Filano

It is the newest automatic theoretical account with European authoritative manner combined with smart Technology of fuel injection “ YMJET-FI” . With cool and capturing design. it becomes a large hit on street among adolescents.

Fiore

It is the new automatic theoretical account with advanced engineering of fuel injection “ YMJET-FI” . With construct of “ cute. smart. and cool” . its mark is immature ladies who love manner. Fino

Fino is still the flagship theoretical account. Yamaha penetrates into a new mark market of immature stylish ladies by presenting its new theoretical account “ Fiore” with advanced engineering of fuel injection “ YMJET” to reenforce its image of “ automatic leader” . Thai Yamaha Motor expands its gross revenues to wider countries as good with Spark Nano theoretical account which has a manual transmittal The selling of Fino started from the outstanding design which is different from others by authoritative manner and Fino is wholly different from Nouvo and Mio that are designed for modern manner. From these different authoritative manner leads to the expand to new clients who has ne’er utilizing bikes earlier such as adolescents. the art and manner designed pupil. the people who drives the auto along with loves the vintage design that want to seek bikes

Nouvo

The little CVT undergone bodied bike. It was introduced in April 2002 for Southeast Asia markets and in 2004. Brazil. where it was renamed the Yamaha Neo. Nouvo is from the Gallic word Nouveau. which means new or stylish.

Yamaha applied scientists intended to develop the frame with the same or higher degree of rigidness as a moped motorcycle in order to accomplish a moped-like drive and good handling public presentation but besides have the same degree of comfort as a scooter. Yamaha Nouvo specification itself is a conventionalized modern and classy with an aggressive manner gives charm more on the motor scooter. The mark client of this type is male adolescent to middle age. Decision

Sale proportion of Yamaha consist of AT motorcycle 80 % and manual bike 20 % and Fino sale is 60 % of entire sale.

So the present mark client is the consumer who love freedom. self-assured and daring to alter. They are adolescents and working age. The mark in the hereafter is increasing sale in both automatic and manual bikes cover all age all client through “ Do advanced strategy” by uses 3S — Sale. Service and Spare portion and develops Yamaha Square Showroom to be new expression with first-class service and effectual web in serving and selling trim portion wholly system. Yamaha continues to advance the strength of Yamaha about salvaging energy harmonizing to the demand of consumers and provides interesting publicities. activities and after sale service for Yamaha clients. Distribution channel ; Showrooms. traders and Yamaha website

Marketing scheme: from the diminishing rate in bike market this twelvemonth. Yamaha uses “ Above-the-Line Advertising” and focuses more “ Below-the-Line Promotion” than old old ages. This type of advertisement is frequently centered on specific vicinities and is used to advance merchandises that a consumer will desire to see in individual. It can be coupled with in-store gross revenues aid in order to explicate the characteristics of the merchandise.

Thai Suzuki MotorsSuzuki Motor Corporation is a taking Nipponese car manufacturer and a planetary bike maker. viing tete-a-tete with challengers Honda and Yamaha. Suzuki boosts its gross revenues in rural countries. The venture is intended to assist Suzuki dispute market-leader Honda. which controls more than 70 % of the market. Suzuki besides launched a new THB

30. 000 bike theoretical account – the Suzuki Smash Junior – that is aimed at the teenage market.

Chiang Mai is the 2nd largest market for bikes following Bangkok with entire bike gross revenues of more than 50. 000 units a twelvemonth. The company presently has a client base of more than three million around the state of which 400. 000 are active clients and more than 70 % of bike gross revenues in the state affect installment funding. Suzuki besides has approximately 500. 000 clients in the northern states of Thailand and they contribute more than 25 % of entire gross revenues to the company. There are 3 types of Suzuki bike

1. Automatic ; Jelato. Skydrive. Nex. Let's and Hayate2. Family ; Shooter. Smash and Shogun3. Large motorcycle ; Hayabusa and GSX-R1000In this twelvemonth Suzuki has program to excite Big motorcycle sale and diminish small-sized bike production. The company hopes that this scheme can increase market portion up to 20 % like Suzuki Swift. The company prepares budget around 500m Baht for new 4 line productions. Suzuki reveals their program that the house will concentrate on medium to large sized (over 200cc) bike every bit good Thailand is the country-based of production and export to Europe. USA and Asia. means that Thailand is the 2nd production mill next to Japan. Suzuki choose Thailand to be production-based because the medium to large sized market in Thailand is turning faster. low-level revenue enhancement rate and less commercial restriction from AEC in 2015 which can cut down cost for fabricating. Decision

Suzuki launched the first eco bike in Thailand. Nex. Let's. Let's premium but they are non rather successful as Suzuki expected because trim portion maker could non bring forth adequate to client demands. This twelvemonth direction squad decided to alter their scheme. merchandises and aim client group. In universe market. Suzuki is the top5 celebrated trade names in medium sized bike (200 milliliter) and Big motorcycle (over 1. 000 milliliter) . This is the strength and should be the manner to successful of the company. Their end is increase market portion from 3 to 20 % within 5 old ages.

Suzuki will split sale service into 2 groups. The first 1 is for purchasing medium sized minibike. The traders must hold the high potency and ready for 3S (gross revenues. service and trim portion) . Following. the salesrooms for large motorcycle are separated to another topographic points with the luxury construct. For little sized automatic and household bike. they will stay in the market but less proportion.

Kawasaki Motors Enterprise ThailandKawasaki wins the trust of clients and the community by supplying high-performance merchandises and services of superior safety and quality. The company has strong trade name presence and efficiency in operations The company is marketing its merchandises worldwide through local distribution centres to offering a new line of merchandises geared to clients who prefer high-performance bikes.

In add-on to offering a new line of merchandises geared to clients who prefer high-performance bikes. the company is working to heighten the Kawasaki trade name by marketing locally in Asiatic states such as Kawasaki Motors

Enterprise (Thailand) Co. Ltd. and P. T. Kawasaki Motor Indonesia through direct investing. " People anticipating superior merchandises and services designed to carry through their demands and assist make a better tomorrow" The company stressing attractive design. superior engineering and the latest theoretical accounts that appeal to the universe market Comparison between motorcycle trade names in Thailand

HondaYamahaSuzukiKawasakiBest merchandising1. Family type2. AT

Honda moving ridgeAT 80 %Manual 20 %Fino merchandising is 60 % of AT typeAstatineSuzuki NexLarge MotorcycleCauseof buyingReasonable monetary valueQuality and safetyGood after gross revenues ServiceService centres cover in ThailandDesign and characteristicFuel salvaging

Design and characteristicFuel salvagingFuturistic salesroom constructGood after gross revenues serviceEco-motorcycleFuel salvagingMonetary value and qualityHigh quality – Guaranteed by trade nameSafetyGood after gross revenues serviceDesign and superiorengineeringFuel efficiencySafety

Market schemePromotion ; renting purchaseNo down payment and low involvement rate.

AdFocus on activities that reinforce trade name trueness and increase below the line advertisement. Addition market in rural country. Increase large motorcycle sale and production. diminish little sized bike production. DifferentiationIncrease client truenessPresent clientWorking ageFamily membersAdolescentsStudentYoung stylishAdolescentsStudentWorking age who love freedom and self-confident. TeenageWorking ageWorking age to adult who love alone merchandise. Expected mark clientYounger clients who ne'er have experienced in siting bike. Male adolescents to working age. Working ageFamily membersPeoples who interested in moderate-sized bike.

High possible client in the hereafterOver 25 agesFamily membersHigh income clientHigh income clients who love following coevals machine.

Top 10 best selling bike in June 2013RankingRanking in MayNameTypeUnit of measurement (June)11Honda wave 110iFamily361. 63122Honda scoopy IAstatine150. 83034Yamaha FinoAstatine84. 16843Honda Click125iAstatine103. 33158Honda spacy IAstatine25. 97765Honda wave 125Family65. 52776Yamaha spark 115Family40. 18187Honda zoomer-XAstatine39. 58999Honda MSX125Sport23. 8991010Yamaha mio 125Astatine26. 583

How to they communicate to their consumersThe InternetAbout everyone uses the cyberspace. It is rather common for a possible client to seek the cyberspace to compare merchandises. before purchasing. All the major minibike makers have impressive web sites. publicizing their merchandises. Manufacturers besides advertise their merchandises by puting advertizements through hunt engines such as Google. Usually these advertizements are placed on specializer bike web sites. Magazines

Specialist bike magazines. these offer advertisement infinite. which is frequently purchased by minibike makers and providers of accoutrements. The readers are holding a existent involvement in everything associated with minibikes. It is common sense to publicize in these magazines. as this is a direct path to the mark market. Television

Television is an expensive manner of advertisement and it does non needfully make the mark market. However. patronizing a plan. particularly a plan associated with minibikes. is more likely to catch the attending of the mark market. Radio

Ad during a specialist broadcast can make the ears of the mark market. However. wireless adverts will merely be effectual when the broadcast is straight associated with minibikes. such as. a Grand Prix. Grand Prix

Using hoardings at a televised Grand Prix or similar event seems a good manner of advancing gross revenues of certain types of minibike. Peoples go toing an event of this type have an involvement in rushing minibikes. Some rushing minibikes have little engines. Rushing is non merely reserved for superbikes. but besides little 125cc motorcycles. Telephone Gross saless

Direct telephone naming of possible clients is non the most popular manner of selling minibikes. A possible client wants to see and hear a minibike. Telephone gross revenues are utile for certain types of merchandises. minibikes are non usually included on this list. Billboards

Billboards placed in ideal state of affairss. such as traffic visible radiations. could catch the oculus of possible clients. For a minute. whilst a motorcyclist or driver is stationary at a set of visible radiations. has clip to see a big hoarding. Motor show

It is a public exhibition of current car and bike theoretical accounts. introductions. construct auto and minibike. or out-of-production classics. It is normally attended by makers. Most car shows occur one time or twice a twelvemonth. They are critical to motorbike makers and

Competitive Analysis“ Although the Thai bike market may be smaller than the Indonesian or Vietnamese markets in volume. in footings of quality and scheme Thailand plays a large function as major bike makers have all pinned their hopes on the state with uninterrupted investing to spread out production and put up R & A ; D Centers. Many are of the sentiment that the Thai bike market has reached a phase of impregnation. but it has non lowered competition among makers. On the contrary. the competition is every bit ferocious as of all time despite the little figure of major participants compared to the car market” (The State. 2013)

Harmonizing to the transition although Thai bike market is smaller than other states. we still be the 5th largest state in the universe market and besides being the chief Japan hub.

Business participants in this industry consisted of four major bike makers which are Thai Honda Manufacturing. Thai Yamaha Motor. Thai Suzuki Motors and Kawasaki Motors Enterprise (TH) and other companies such as Triumph Motorcycle. Ducati. Tiger Motor and so on.

Competitor’s General Information

Manufacturer Performance AnalysisMarket ShareComparing market portion net incomes by company among January – July 2013. 2012 and 2011 as following January – July 2013

January – July 2012

January – July 2011

Production Capacity

As you can see from the tabular array above Honda is figure one maker who able to bring forth merchandise in the highest volume with 1. 400. 000 per twelvemonth. following by Yamaha. Suzuki. and Kawasaki at 600. 000 units. 360. 000 units. 150. 000 units severally.

This maybe the ground why Honda ever be the leader in this market ; highest production capacity with highest gross revenues volume Sale Volume

Comparing gross revenues volume at the terminal of the twelvemonth by maker among 2011. 2012. and 2013

Entire gross revenues volume of 2011. 2012 and 2013 are 2. 007. 080 units. 2. 130. 041 units. and 1. 274. 830 units severally. For the twelvemonth of 2013 in the graph. it shows gross revenues volume from January until July. 2013 this is the latest update information at this present. If we take a expression at the large image gross revenues volume 2011 – 2012 of every makers are increased with a great figure. How about this twelvemonth gross revenues? How far each maker is traveling to hit their gross revenues mark and travel beyond last twelvemonth gross revenues? We are traveling to speak in the following subject of same clip last two twelvemonth between 2011 – 2012 and 2013

Comparing gross revenues volume of January to July period by maker among 2011. 2012. and 2013HondaHonda gross revenues reached at 943. 374 in

2013 that is different from entire gross revenues at the terminal of twelvemonth 2012 (1. 491. 029 units) at 547. 665 units or 36. 73 % . It seems to be non excessively hard for Honda and non easy in the economic state of affairs like this

Deeply information of same clip last two twelvemonth of Honda Manufacturing shows higher gross revenues public presentation which is increased steadily from 881. 000 to 943. 374. So. it is a good mark to interrupt the old gross revenues mark and addition more net income. Yamaha

247. 691 units left or 50. 56 % for Yamaha to touch their 2012 gross revenues volume record. half of 100 % of gross revenues volume with 22 % dropped of gross revenues volume (compared with same clip last twelvemonth 2012 and 2013) will convey Yamaha in to a large challenge problem. Suzuki

Huge different unit of gross revenues volume left (48. 957 units or 57. 5 %) at 2013 to make gross revenues volume record of 2012 will do Suzuki lose their portion market. 26 % decreased from same clip last twelvemonth production of 2012 shows hapless selling public presentation. Kawasaki

This little maker is rather interesting with fast moved of production gross revenues volume. Although some production unit is left rather large sum at 17. 104 units or 40. 15 % . the entire different units compared of current production 2013 with same clip last twelvemonth of 2012 it shows 97 % higher selling public presentation of 2013 production merchandising. This will be a large move or a good opportunity of the company to step up their placement. Schemes

HondaCustomer-focusedMerchandise DiversificationMerchandise DevelopmentBrand StrategyYamahaBrand StrategyMerchandise DiversificationMerchandise DevelopmentCorporate SchemeSuzukiAfter Gross saless ServiceDealer DevelopmentMerchandise DiversificationBrand schemeKawasakiDifferentiationQuality ManagementMerchandise Development

Thai Honda ManufacturingCompany aims to win their customer's bosom with focused on client wants and needs ; besides offering merchandise variegation by establishing new assorted theoretical accounts to excite client demand. Company believes that this is the strongest one of their cardinal success in this concern. Furthermore company ever concentrate on allocate financess to the debut of new theoretical accounts. every bit good as the betterment. streamlining and modernisation of production installations. and betterment of gross revenues and R & A ; D installations. Besides concentrated on selling scheme by utilizing music and athletics to be their channel e. g. Man U's soccer school run. For concern they cooperated with Channel V Thailand Thai Yamaha Motor

Yamaha chiefly focus on trade name scheme ; they use lifestyle selling. particularly music and athletics selling by utilizes popular stars as its merchandise presenters. As for athletics selling Thai Yamaha sponsored the Thai Premier League. the UEFA Champions League and several universe major football conferences.

Furthermore with the intent of increasing client satisfaction by offering merchandise diverseness with its merchandise design and characteristics. selling activities and the futuristic salesroom construct. the Company focuses on the activities that reinforce trade name trueness among its clients.

Thai Yamaha Motor (TYM) has stated its corporate scheme as " value added business" with " sustainable growth" with clear way on corporate societal duty

Thai Suzuki Motor" Suzuki is committed to utilize its amassed technological expertness and all other available resources to assist raise the quality of human life in society by advancing corporate growing through industry and supply of socially demanded merchandises. – Suzuki Motor"

Thai bike industry this twelvemonth has really strong competition with sulky market possibly because of indirect impact from high volume buying auto in government's first auto strategy last twelvemonth. This state of affairs forces many company launch new scheme of 0 % down payment and 0 % for installment periods but Suzuki thought that it is traveling to impact the overall market so they committed to concentrate more on supplying client satisfaction. after-sale services and so on.

This twelvemonth 2013. Company gross revenues mark is 100. 000 units which trusting 10 % proportion of market portion within the twelvemonth of 2015. Four more schemes will be apply ; trade name scheme. merchandise variegation scheme. trader development scheme and after gross revenues service schemes and continue concentrating on client experiences and merchandise development non merely concentrate on selling vehicles. They are maintaining research on client behavioral and life manner of each state for better merchandise development. Then. they come up with new theoretical account fiting with Thai life manner in the construct of eco bike with 112. 7cc. Furthermore. the Group will besides be beef uping its batting order of center and big sized bikes.

The company expects to increase its market portion through more aggressive selling and merchandise development such as Television commercials. Today Suzuki has merely 5 per cent of market portion and 50 traders. along with internal jobs after a major restructuring. So even if the merchandise is competitory. Suzuki is still non strong plenty to emerge a rival. Kawasaki Motors Enterprise Thailand

Kawasaki is marketing its merchandises worldwide through local distribution centres to offering a new line of merchandises geared to clients who prefer high-performance bikes.

Company has rigorous quality control criterions which integrate high-octane engines and highly-accurate power control engineering. These criterions have besides been applied to all of the company's merchandises. including bikes. Furthermore. Kawasa