

Promotional Strategies of Atlas Cycles

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Abstract: Cycling is a healthy, low-impact exercise that can be enjoyed by people of all ages, from young children and adults to older people. As enjoyable and economic it is, it is also good for the environment. Be it riding to work or for running chores, it is one of the most efficient ways to combine regular exercise with the everyday routine. Despite these benefits, there still remains the need to increase the base of cyclists by covering urban and rural areas equally. It is seen in metropolitan cities that cycling is not given much importance as a means to travel as the roads are not meant for cyclists, also there are other means of transportation which are more convenient for the people like bus, metro, cars. With the help of this paper we have tried to find out what promotional activities are undertaken by one of the leading cycles manufacturing company ATLAS in India, what type of cycles people prefer and how can the company promote its cycles more. The study was conducted in Rohtak city with the sample size of 50 and questionnaires were given to collect primary data.

Keywords: Bicycles, Techniques of sales promotion, Advertising, Brand Ambassador.

I. INTRODUCTION

Bicycle was first seen in India in the year 1890. Import of cycles, however, started in 1905 and continued for more than 50 years. Complete ban on imports was announced by the Government in July, 1953, but cycles kept on simmering in the country till 1961. In 1890, selling price of an imported bicycle was around Rs. 45/-; in 1917, during the First World War the price jumped to Rs. 500/- but dropped considerably, month by month and came down to Rs. 35/- or so (U.K. makes) and Rs. 15/- or so (Japanese models). It would be interesting to mention that in 1919, 5 persons in Punjab imported cycles and used them on The Mall, Simla.

With an annual turnover of more than 12 million bicycles, the bicycle industry is one of the most established industries in India. It has raised the country's position to that of the second largest bicycle manufacturer in the world, next only to China. India has seen a tremendous increase in the number of bicycle manufacturers and the bicycle exporters in the recent past. Today, the Indian bicycle manufacturing and bicycle spares industry is well accepted and is also widely recognized for its quality standards in international markets.

Green cycle industries, Avon, Atlas, Hercules, TI, BSA, and Nova are the leading companies in the bicycle industry.

However, things are likely to change as international fashions reach the shores quickly. Indian bicycles have been slow so far in making a dent in markets of the developed countries. This indicates that manufacturers have to monitor the Western markets to tap the demand for Indian bikes.

The core problem faced by the company is that how to promote it well mainly in the rural areas. As the Indian rural market with its vast size and demand base offers a huge opportunity that MNCs cannot afford to ignore. With 128 million households, the rural population is nearly three times the urban.

As a result of the growing affluence, fuelled by good monsoons and the increase in agricultural output to 200 million tonnes from 176 million tonnes in 1991, rural India has a large consuming class with 41 per cent of India's middle-class and 58 per cent of the total disposable income. The importance of the rural market for some durable marketers is underlined by the fact that the rural market accounts for close to 38 per cent of all two-wheeler purchased. The rural market accounts for half the total market for TV sets, fans, pressure cookers, bicycles, washing soap, blades, tea, salt and toothpowder, What is more, the rural market is growing much faster than the urban counterpart. So, it has become very important to tap the rural market and realise the potential of this segment. Rural people generally do not give much importance to brands but making them realise true value of money and the quality of which the product is of has become very important.

Sales Promotion consists of a collection of incentive tools, mostly short term, designed to generate greater purchase of particular products and services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. **Sales promotion techniques** includes tools like coupons, samples, cash refund, premiums, offers, prizes, patronage rewards, free-trials, warranties etc. Promotion is one of the key factors in the marketing mix and plays a vital in market success. Promotion is used to ensure that customers are aware of the products that the organisation is offering. The promotional mix is the combination of the different channels that can be used to communicate the message to the customers.

A judicious combination of these techniques can be used to achieve almost any promotional objective.

- 1) Price-deals are the most commonly used promotional technique. The price cuts or price discounts can be used as an offensive or a defensive tool the main objective is to generate additional sales and increase market share and long run profits.
- 2) Bonus-pack deals are also called value packs. In this case an additional quantity of the same product is offered free when the standard pack size of the product is purchased at a regular price.
- 3) A promotion of offering refund by a marketer is a promise to give back a certain amount of money after the purchase. The offer may be for a product purchase alone or in combination with other products.
- 4) Coupons can be considered as certificates offered by the retailers or manufacturers that entitle the owner to some stated savings or claim the specified thing. They bear a date of expiry and cannot be redeemed after the expiry date.
- 5) Contests and sweepstakes not only promote the product but also produce excitement and enthusiasm in the customer. A contest requires the participants to perform some task.
- 6) A sweepstake is a random drawing and sometimes called a chance contest.
- 7) A premium is a gift or reward given to the customer for performing a particular act, generally purchasing a product or service. The premium may be free or available to the consumer by paying a price well below the regular market price.
- 8) Event sponsorship is one of the most widely seen techniques. Here the main events taking place within the country are sponsored by the companies. The event is sometimes also called in collaboration with the particular company.

Advertising covers any communication that is paid for, from and cinema commercials, radio and Internet adverts through print media and billboards. One of the most notable means of promotion today is the Promotional Product, as in useful items distributed to targeted audiences with no obligation attached. This category has grown each year for the past decade while most other forms have suffered. It is the only form of advertising that targets all five senses and has the recipient thanking the giver. Public relations are where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word of mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and Public Relations.

The cycle industry has decided to use new **brand ambassadors** to popularise its latest models as well as pep up existing ones. Atlas followed suit, with the signing on film star Sunil Shetty and tennis player Sania Mirza. Atlas, which earlier had Robin Singh as its brand ambassador, is taking steps to increase its focus on the fancy segment, in order to correct its pro-roadster skew. The industry's association with celebrities goes a long way. Suresh Kumar of Mind spark consulting, who earlier worked in the industry, recalls how Kapil Dev's endorsement of BSA at the peak of his cricketing career proved to be a big hit. Over the years, celebrities such as Vijay Amritraj, Ajay Jadeja, Robin Singh, Akshay Kumar, Rani Mukherjee and Sanjay Dutt have endorsed different brands of cycles. But the new crop comes in at a time when the industry is increasingly relying on the special or the fancy segment to deliver growth, with the roadster or standard segment flat.

II. OBJECTIVES OF THE STUDY

The study was conducted with the following objectives:

- To study the preference of type of cycle.
- To study the various promotion strategies used by Atlas.
- To find out ways to improve the promotion strategies.

III. RESEARCH METHODOLOGY

1. **Type of research-** Primary Research through Structured Questionnaire.
2. **Target Group-** Bicycle owning households.
3. **Sampling technique**
 - The study was conducted in **Rohtak city of Haryana**.
 - Convenient sampling technique was adopted for the selection of study area.
 - A sample of 50 respondents was taken on the basis of criterion that they should be having at least one bicycle at their home.

IV. DATA ANALYSIS

1) Quality of atlas cycles as per respondents:

Quality of cycle	Percentage of respondents
poor	9%
Average	20%
Good	40%
Very good	20%
excellent	11%



Figure 1

The above mentioned graph shows that 9% of respondents feel that the quality of Atlas Cycles is very good, and only a percent (20%) of respondents think that the quality is not up to the par and needs to be further improve.

2) Most preferred product of Atlas

Most preferred product of Atlas cycles	Percentage of respondents
roadsters	65%
Ladies bike	10%
Fancy bikes	10%
Kids bikes	15%

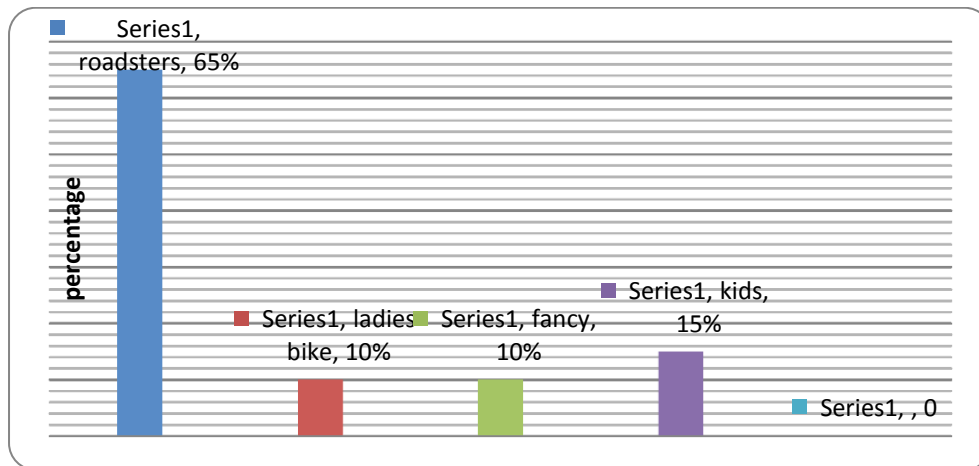


Figure 2

According to the above graph, 65 % of the respondents say that the roadsters are the best selling item of Atlas. Only 10% feel that it is fancy bikes that are best selling items, another 10% feel its ladies bike and 15% feel that its children’s bike.

3) Satisfaction of respondents from promotional strategies:

Satisfaction from promotional strategies	Percentage of respondents
yes	43%
no	57%

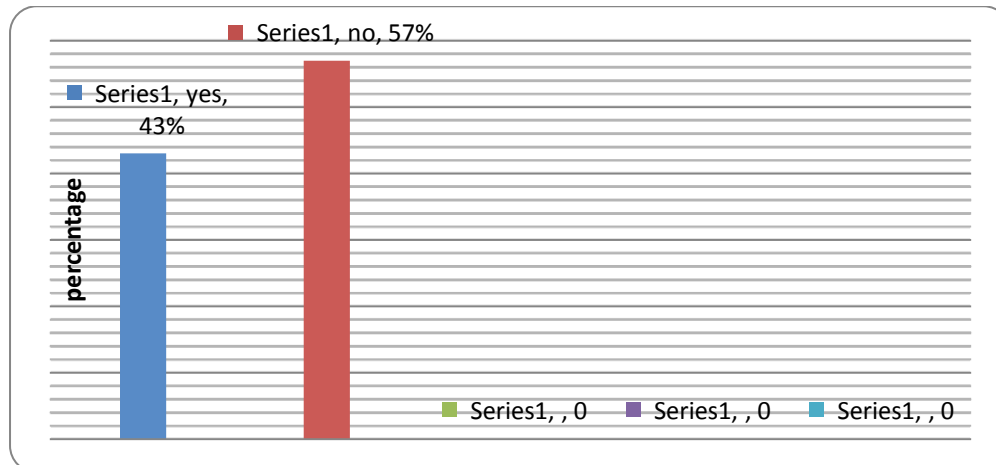


Figure 3

Above graph shows that 43% responded with “YES” i.e., they are satisfied with the promotional strategies of the company and 57% responded with a “NO”.

4) Suggestions for improved promotion:

Suggestions for improved promotion	Percentage of respondents
Advertising	38%
Event sponsorship	35%
Publicity	24%
Public relations	3%

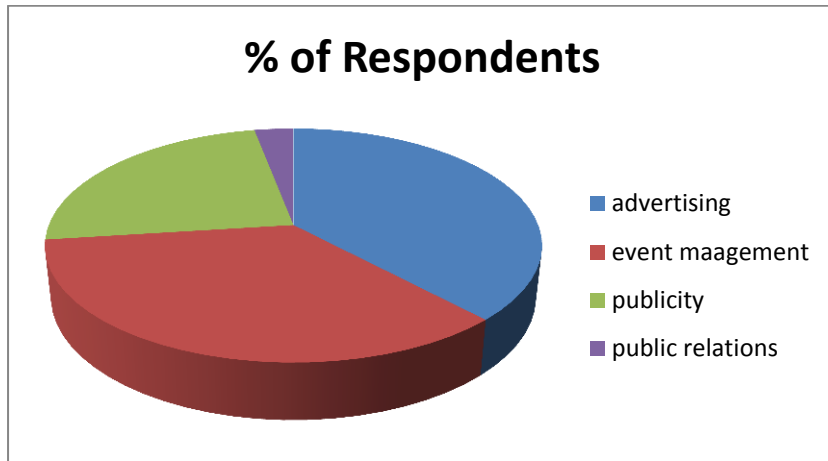


Figure 4

According to the above graph, 40% of the respondents think that advertising needs to be the main concern and 35% say that events should be sponsored more. Only 24% vouched for publicity and 3% for public relations.

5) Source of awareness of the respondents:

Sources of awareness	Percentage of respondents
TV	50%
Radio	5%
newspaper	35%
others	10%

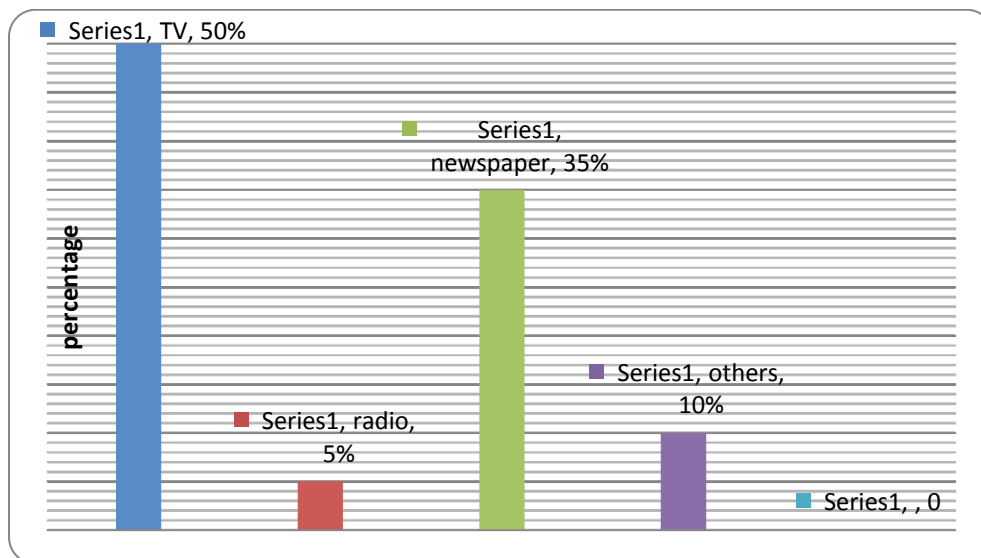


Figure 5

The above graph shows that most people (50%) heard about Atlas Cycles through television, only 5% people came to know through radio and other means and 35% respondents got to know through newspaper ads.

V. RESEARCH FINDINGS

- Most preferred type of cycle was Roadster, it is quite famous in rural areas.
- Besides advertising, respondents said Atlas should sponsor major events to promote cycling.

- It is found that the Atlas Company is doing everything except good promotion. Its main target being rural India it is not giving fair attention to the urban market.
- It is found that the brand quality being in between good and very good the satisfaction from the promotional strategies was Luke warm and 57% of the people were not satisfied .it was also seen that the advertising field is not given much importance due to which the brand awareness in the people was not up to the mark.
- The main advertising is done on the television and the commercials are made with big stars but the airing of commercials is very low.

VI. LIMITATIONS

- 1) **Of the cycle industry** - India may be the second largest producer of bicycles in the world but precious little has been done to promote the cause of cycling in the country. The cycle industry is today churning out beauties that could easily make a style statement but the road ahead is rough for the two-wheeled bikes. And, the status-conscious still refuse to adopt them as a mode of transport.

The diminishing number of cyclists is a cause of worry for environmentalists and economists. While manufacturers attribute the change in trend to rising income levels, the other factors could be easy finance options for motorised vehicles, urbanisation and status symbol attached to expensive vehicles. "Despite studies coming out with shocking details on rise in diseases like heart attacks, people are more worried about their status," remarks Pramod Sharma, co-ordinator, Yuvsatta, an NGO that has also launched a project to promote cycling.

- 2) **Of the methodology** –

- The generalisability of these survey findings is limited because they were generated in an exploratory quantitative inquiry. The research design was not intended to produce results that account for or predict the behaviour of a wide classification of people as most experimental, hypothesis-testing studies are.
- Time and budget limitations made it impractical to assess how narrative-based processing might have influenced participants' long-term thinking over multiple months or years.
- Size and specificity in test groups- One way of solving the human variation problem is to attain a large test group which could be representative of everyone. However, my research so far has had a very small test group which is not sufficient.

Lastly, Respondents offer no more than the questionnaire i.e. they give just the superficial idea and not quality answers that may be required to overcome any problem.

VII. CONCLUSION

If the Atlas cycle industry is to continue growing, India has to ensure the safety of cyclists and popularise cycling as sport too besides generating awareness about its other benefits. Otherwise, we would lose out on not just the industry but also on a healthier and cost-effective means of transport. It is concluded that Atlas is giving undue advantage to its competitors only because it has not been giving proper attention to its own promotion. It is advised that Atlas should not only promote its cycles but also the activity of cycling

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