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A Study On Why Market Research Is Crucial In The Early Stages Of A New Business In Automobiles Industry

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Abstract

This research paper based on feasibility study of why market research is crucial in the early stages of a new business in automobiles industry. Market research is paramount in the nascent phases of a new business within the automobile industry for several reasons. Primarily, it provides valuable insights into consumer preferences, market trends, and competitors, enabling informed decision-making and strategic planning. Ultimately, investing in thorough market research empowers new automobile businesses to mitigate risks, capitalize on opportunities, and lay a solid foundation for sustainable growth. In this study we used Secondary data collected from various sources like journal, articles, various website and many more.

Keyword: Market research, New business, Automobiles industry, Early stages

Introduction

Market research is crucial in the early stages of starting a business because it helps you understand your target market, the competition, and the scalability of your business idea. Market research is a fundamental and indispensable activity for any new business venture, especially in its early stages. It involves gathering, analyzing and interpreting data about the target market, customers, competitors, and industry trends. Without market research, you risk investing time and resources into a product or service that may not have a practical market or that may not meet the needs of your target audience.

Literature review

Agarwal, R. N. (1991) finds that profitability has mainly increased through experience of the older firms. The older firms need to be encouraged to diversify into other product lines and to inter production process through vertical integration to improve profitability and growth of the firms in the industry. Narayanan, K. (1998) Ranawat, M. and Rajnish Tiwari (2009) in his study found that competitiveness in a de-regulated regime would, however, depend upon the ability of the firm to bring about technological paradigm shifts. New firms who depended on intra-firm transfer of technology and firms with in-house R&D efforts, to accomplish paradigm shifts, appear more successful. Further, in a liberal regime, advantages of vertical integration over sub-

contracting also appear to be important in the determination of competitiveness. Lahle Wolfe (2022) wrote about women in business for The Balance Small Business. She has more than 25 years of experience in small business development and ran her own digital marketing firm. Carter et al., (2003). The career reasons of nascent entrepreneurs. *Journal of business Venturing*. Explores the motivations of nascent entrepreneurs and how mentorship can influence their career choices. Kram et al., 1985. *Mentoring at Work: Development Relationships in Organization Life*. A seminal book that discusses mentoring in the context of organizational life, with insight applicable to entrepreneurial mentorship. Brush et al., 2008. Can women entrepreneurs benefit from virtual incubators? *Academy of Management Perspectives*. Investigates the effectiveness of virtual mentoring and incubators for women entrepreneurs. Chen. G et al., 2001. The relation between work-family conflict and job satisfaction: A finer-gained analysis. *Journal of Applied Psychology*. Explores the work-family conflict experienced by entrepreneurs and the role of mentors in helping them navigate this challenge. Cardon et al., 2004. *Managing human resources in small organizations: What do we know?* *Human Resource Management Review*. Discusses the challenges of managing human resources in small firms, with a focus on the potential role of mentors. De Carolis et al., 2006. Social capital, cognition, and entrepreneurial opportunities: A theoretical framework. *Entrepreneurship Theory and Practice*. Examines the relationship between social capital, mentorship and the identification of entrepreneurial opportunities. Fiet, J. O. 2001. The theoretical side of teaching entrepreneurship. *Journal of Business Venturing*. Discusses the pedagogical aspects of entrepreneurship education, including mentorship. Hansen et al., 2011. *Human and Social Capital in Nascent Entrepreneurship: A Meta-Analysis*. *Entrepreneurship Theory and Practice*. Provides a meta-analysis of the influence of human and social capital, including mentoring, on nascent entrepreneurship. Jaskiewicz et al., 2012. Do leadership and governance matter? New evidence from family firms. *Entrepreneurship Theory and Practice*. Examines the impact of leadership and governance, including mentorship, in family firms. Latham et al., 2007. New developments in and directions for goal- setting research. *European Psychologist*. Discusses the role of goal-setting in entrepreneurship and how mentors can help entrepreneurs set and achieve their goals. Pittaway et al., 2007. *Entrepreneurship education: A systematic review of the evidence*. *International Small Business Journal*. Reviews the literature on entrepreneurship education and discusses the importance of mentors in entrepreneurial learning.

growth and evolution of automobile industry in india

The automotive industry in India is the fourth-largest by production in the world as per 2022 statistics. As of 2023, India is the 3rd largest automobile market in the world in terms of sales. In 2022, India became the fourth largest country in the world by the valuation of its automotive industry. The automobile industry in India has experienced significant growth and evolution over the years, with various milestones and transformations contributing to its development.

Product profile (two wheelers)

1. Vehicle Types:

- Motorcycles: These are typically larger, have a more powerful engine, and a manual or automatic transmission. They are designed for various purposes, including sport, cruiser, touring, and off-road riding.
- Scooters: Scooters are generally smaller and come with an automatic transmission. They are known for their step-through frame design, making them easier to mount and dismount.

2. Engine Types:

- Internal Combustion Engine (ICE): Most traditional two-wheelers are powered by gasoline or diesel engines.
- Electric Motor: Electric scooters and motorcycles are becoming increasingly popular due to their environmental benefits and lower operating costs.

3. Engine Displacement:

- Measured in cubic centimeter (cc) for ICE vehicles. Higher displacement generally means more power.

4. Fuel Type:

- Gasoline, diesel, or electricity for electric models.

5. Transmission:

- Manual: Riders manually shift gears.
- Automatic: Gears shift automatically.

6. Features and Accessories:

- Two-wheelers can come with various features and accessories, such as ABS brakes, digital instrument clusters, LED lighting, Bluetooth connectivity, phone charging ports, and more.

7. Seating Capacity:

- Most two-wheelers are designed for one or two passengers.

8. Body Style:

- Different designs and styles cater to various purposes and aesthetics, including sporty, classic, retro, and modern.

9. Use Cases:

- Commute: Many people use two-wheelers for daily commuting due to their fuel efficiency and maneuverability in traffic.

10. Safety:

- Safety features may include antilock brakes, traction control, and stability systems.

feasibility

1) marketing feasibility

A market feasibility study is a critical component of the business planning process, especially when you're considering launching a new product, service, or business venture. This study assesses the viability and potential success of your idea within a specific market. A feasibility study is an analysis used in measuring the ability to complete a project successfully including all relevant factors. It must account for factors that affect it such as economic, technological, legal, and scheduling factors. A feasibility study tests the viability of an idea, a project, or even a new business. The goal of a feasibility study is to emphasize potential problems that could occur if one pursues a project and determine if, after considering all significant factors, the project is a good idea. Feasibility studies also allow a business to address where and how it will operate, potential obstacles, competition, and the funding needed to get the business up and running.

2) Technical feasibility

Technical feasibility examines whether the project is possible from a technological perspective. It evaluates the resources, skills, and technology required to implement the project successfully. The technical feasibility analysis helps stakeholders understand whether your project is technically achievable with the available resources and technology. It also provides insights into potential challenges and risks that need to be addressed before proceeding further. A positive technical feasibility assessment is a crucial step toward ensuring the success of your project or venture.

3) financial feasibility

Financial feasibility is a critical component of a feasibility study, aimed at assessing the financial viability of a proposed business venture, project, or investment. This analysis helps determine whether the project is financially sound, profitable, and sustainable. A thorough financial feasibility study provides decision-makers with a clear understanding of the project's financial viability, risks, and potential returns. It helps in making informed decisions about whether to move forward with the venture and how to structure the financing if needed. Additionally, it is essential to periodically update the financial feasibility analysis as market conditions and project assumptions may change over time.

Research Objectives of the Study.

Market research is crucial in the early stages of a new business for several important objectives and reasons:

- 1. Understanding Customer Needs:** Market research helps identify the needs, preferences, and pain points of your target audience. This understanding is essential for creating products or services that resonate with customers.
- 2. Market Validation:** Research validates whether there is a demand for your product or service in the market. It helps confirm whether your business idea has the potential to succeed.
- 3. Sustainable Industry Planning:** Research allows you to analyze your competitors, their strengths, weaknesses, and market positioning. This information helps you develop strategies to differentiate your business.
- 4. Identifying Market Trends:** Market research helps you stay updated on industry trends and shifts in consumer behavior. This knowledge enables you to adapt your business to changing market conditions.
- 5. Pricing Strategy:** Research helps you determine the right pricing strategy by understanding what customers are willing to pay and how your prices compare to competitors.

some key aspects that researchers may explore:

- 1. Market Analysis:** Researchers may conduct market analysis to gain insights into the demand and competition in the market for Jawa motorcycles. This analysis can involve studying market size, growth potential, customer segments, and competitor analysis. The findings can assist in developing effective marketing and sales strategies to target specific customer segments and gain a competitive edge.
- 2. Consumer Behaviour:** Understanding consumer behaviour is crucial for successful sales and marketing efforts. Researchers may study factors influencing consumers' decision-making processes when purchasing Jawa motorcycles. This research can involve analyzing consumer preferences, brand perception, pricing sensitivity, and the impact of marketing communication on consumer choices.
- 3. Sales Performance Evaluation:** Researchers may evaluate the sales performance of Jawa motorcycles through data analysis and performance metrics. This can involve analyzing sales volume, revenue, market share, and customer satisfaction. The findings can help identify areas for improvement, optimize sales strategies, and enhance overall sales performance.
- 4. Distribution and Retail Channels:** Research in this area focuses on studying the distribution and retail channels for Jawa motorcycles. This can involve analyzing the effectiveness of existing channels, exploring new distribution models, and evaluating the role of dealerships and online platforms in driving sales. The research can provide insights into optimizing distribution networks and enhancing customer reach.

5. Branding and Marketing Strategies: Researchers may analyze the branding and marketing strategies employed by Jawa motorcycles. This can involve studying advertising campaigns, digital marketing efforts, social media presence, and brand positioning. The findings can help evaluate the effectiveness of marketing strategies in creating brand awareness, attracting customers, and driving sales.

Human Resource Requirement in The Early Stages of a New Business of Automobile.

key Technical Roles:

- Identify and recruit key technical roles, such as automotive engineers, designers, and technicians. Ensure that your team has the necessary skills to develop and prototype automotive components.

Product Development Team:

- Assemble a team of professionals dedicated to product development.
- Include individuals with expertise in automotive design, manufacturing, and testing.

Sales and Marketing:

- Hire a sales and marketing team to promote your automotive products or services.
- Look for individuals with knowledge of the automotive market and strong networking skills.

Supply Chain Management:

- Establish roles responsible for supply chain management to ensure a smooth flow of materials for manufacturing.
- Consider professionals with experience in logistics and procurement.

Manufacturing and Production:

- Build a production team responsible for the assembly and manufacturing of automotive components.
- Ensure the team is capable of meeting quality standards and production targets.

Quality Assurance:

- Implement a quality assurance team to monitor and maintain product quality.
- Develop processes for testing and inspecting automotive components.

Regulatory Compliance:

- Hire professionals who are knowledgeable about regulatory requirements in the automotive industry.

- Ensure compliance with safety standards and emissions regulations.

conclusion of the study:

Market research is crucial in the early stages of a new business in the automobile sector for several compelling reasons. These conclusions can help entrepreneurs and business leaders make informed decisions that can significantly impact their success and sustainability in the industry. In conclusion, market research is a cornerstone of success for new businesses in the automobile sector. It provides essential insights that inform decisions about product development, target audience, competitive positioning, pricing, and distribution.

