

Chapter 7

Challenges in the Motorbike Industry (TVS Auto Bangladesh Ltd): A Case Study

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EXECUTIVE SUMMARY

Despite the favorable market conditions, the motorcycle business in Bangladesh faces unique and difficult obstacles that must be met efficiently. These difficulties include intense rivalry, shifting customer preferences, legislative restraints, and infrastructure limitations. This case study will highlight some of the critical difficulties encountered by TVS Auto Bangladesh Ltd as well as potential solutions. By doing so, the company may increase its market presence and strengthen and achieve long-term growth in the dynamic motorcycle industry. TVS Auto Bangladesh Ltd is a subsidiary of TVS Motor, a prominent two-wheeler manufacturer in India. It operates in the motorbike sector in Bangladesh, where it faces numerous hurdles. Due to increased consumer demand, urbanization, and road infrastructure, the motorcycle industry has grown significantly in recent years. As a result, several well-known businesses, including TVS Auto Bangladesh Ltd, have entered the market to profit from the expanding potential.

INTRODUCTION

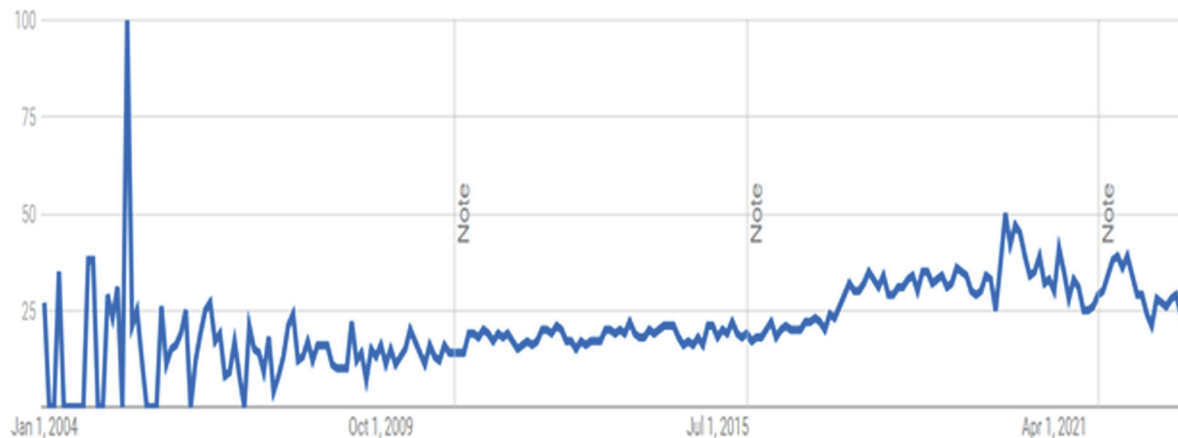
TVS Auto Bangladesh Ltd is a subsidiary of TVS Motor, a prominent two-wheeler manufacturer in India. It operates in the motorbike sector in Bangladesh, where it faces numerous hurdles. This case study will highlight some of the critical difficulties encountered by TVS Auto Bangladesh Ltd, as well as potential solutions. Due to increased consumer demand, urbanization, and advancements in road infrastructure, the motorcycle industry in Bangladesh has grown significantly in recent years. As a result, several well-known businesses, including TVS Auto Bangladesh Ltd, have entered the market in order to profit on the expanding potential.

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Challenges in the Motorbike Industry (TVS Auto Bangladesh Ltd)

Figure 1. Motorbike interest over time in Bangladesh

Source: Google Trend, 2023



Despite the favorable market conditions, the motorcycle business in Bangladesh faces unique and difficult obstacles that must be met efficiently. These difficulties include intense rivalry, shifting customer preferences, legislative restraints, and infrastructure limitations. TVS Auto Bangladesh Ltd must develop appropriate strategies to navigate these hurdles and maintain its competitive position in the market. In this case paper, we will go over many difficulties in depth and offer feasible solutions to assist TVS Auto Bangladesh Ltd in overcoming them. By doing so, the company may increase its market presence, strengthen its brand, and achieve long-term growth in the dynamic motorcycle industry.

BACKGROUND OF TVS AUTO BANGLADESH LIMITED

TVS Auto Bangladesh Limited first established itself in 2007, in Bangladesh. The company rose to the second-highest seller of two-wheelers in Bangladesh within seven years of starting operations. A joint venture between TV SundramIyenger & Sons Ltd. (an Indian firm) and Rian Motors Ltd. (a Bangladeshi corporation) is TVS Auto Bangladesh Limited. Customer satisfaction is the company's main priority, and they have developed their brand around it. In Tongi, Gazipur, TVS Auto Bangladesh Ltd. has a motorbike production and assembly facility. The constant source of inspiration for TVS is the consumer and his shifting wants. It includes 210+ dealers around the nation, a 3S facility, 10 in-house service centers, 850 Certified Service Points (CSP), and a 120-part stockpile. TVS Motor Company, the third-largest two-wheeler manufacturer in India and one of the top ten worldwide, recorded sales of Rs. 1434.3 crore in the first quarter of 2020–21 as opposed to a total revenue of Rs. 4469.8 crore in the quarter ended June 2019. The key to TVS Motor's success is its considerable research and development, which produces products that lead the industry in terms of innovation. By anticipating customer needs and offering high-quality automobiles at the ideal time and price, we at TVS achieve ultimate customer satisfaction. The plant has a total size of approximately 2,23,500 square feet. The monthly production capacity is roughly

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