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India Tractor CSI and Product Performance Study℠

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Strong Outlook for Indian Tractor Industry

The tractor industry is one of the few positive manufacturing stories coming out of India recently. It is expected to grow at a CAGR of 8-9%[1] over the next five years, mainly riding on factors such as rising labour costs, ease of financing, increases in MSP, low tractor penetration, shortening replacement cycles and increasing mechanisation in farms.

Understand Tractor Owners Satisfaction Levers

J.D.Power India Tractor CSI and Product Performance study provides an excellent insight into these developing trends, identifying the drivers of customer satisfaction with the product and service offered to tractor owners. It further sets benchmarks related to product performance, usage, quality metrics and service levels, as well identifying the drivers of repurchase and advocacy.

3,300+ tractor owners (farmers) covered in the pilot – full study to cover 5,000+ respondents.

15-75 HP tractors included across four segments.

12-24 month ownership period with service history measures for 0-12 months.

14 state coverage representing main sales regions.

Makes

- **Mahindra Tractors** *(incl., sub-brands and Swaraj).*
- **TAFE** *(incl. Massey Ferguson, Eicher, Captain and TAFE).*
- **Escorts** *(incl. Farmtrac, Powertrac).*
- **ITL Sonalika.**
- **John Deere.**
- **New Holland.**

Tractor Owners: Dominated by Farmers Cultivating Their Own Land

The vast majority of respondents use tractors on their own farms, with around **14%** also using the machines on contracted land.

Way Forward: Higher Horsepower

60% of the respondents who would consider purchasing a new tractor in the next 12 months would also upgrade to a higher horsepower. With over **65%** of replacement or additional purchases expected to be **50 HP or higher.**

Growing Shift to Mechanisation

77% of the tractor owners agree that the industry will see a growing shift to mechanisation and decline in traditional agriculture in the next 2-3 years.

Increasing Incomes Expected from AG

74% of owners expect that their income from agriculture to improve in the next 2-3 years.

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[1]ICRA, February 2014
Note: Data weight based on state level/regional sales

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Product Performance - Strong Correlation with Customer Loyalty

160+ problems reported on average per hundred (PP100) tractors. Problems with hydraulic system, lights and brakes are the most common problems noted by owners.

Customers in the **31-40 HP** segment report the highest number of problems, with **180+** problems reported per hundred tractors.

Overall **Fuel Efficiency** is rated lowest for Machine Performance, though for smaller HP segment **Engine Noise and Vibration** are key areas for improvement.

Two-thirds of customers who are *Delighted* with the overall tractor quality and reliability of their tractor would recommend their tractor brand to a colleague or friend.

Dealer Service (CSI) - Touchpoint for Improved Advocacy and Service Retention

Over **90%** of tractor owners have visited an authorized dealer for maintenance or repair work in the last 12 months.

Over **50%** of tractors are covered by standard or extended warranty coverage. However, almost one–in-five warranty customers reported paying more at the authorized dealer than expected.

65% of tractor owners agree that given a choice, they would use an independent or local mechanic over a branded authorized dealer.

69% of customer who are *Delighted* with their after-sales experience would recommend their tractor brand to colleagues and friends.

Over **65%** of *Delighted* after-sales customers would revisit their authorised dealer compared to only **27%** of *Dissatisfied* respondents.

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