

A Study on Customer Perception towards Major Brands of Two Wheelers in Villupuram Town and Its Impact on Buying Behaviour

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Abstract:

In an era of increasing global competition, "Customer Perception" remains a research topic of strong interest. By keeping in view that future disposable income of average household people will increase, so in future their demand and need both increases. To meet their expectations it become a prime importance to study various factors influencing their perceptions and hence impact on purchase decision. In Case with the purchase of an automobile, people prefer motorcycle over a four wheeler because motorcycle is economical and affordable. In other words we can say that motorcycle is a common man vehicle. The study focuses on major two wheelers brand Hero Moto Corp, Honda, TVS and Bajaj. Keeping in consideration that people have a criteria of preference in the minds before they go to purchase a motorbike, the researcher has tried to summate some of the factors which people evaluate before the actual purchase. The study aims to showcase factors like product attributes, price, resale value, credit facility, mileage and advertisement plays role in buying decision.

Keywords: Customer Perception; Major Brands; Purchase Decision; Motorcycles; Product Preference

Introduction:

Indian Two-Wheeler Industry is the largest in the world as far as the volume of production and sales are concerned. India is the biggest two-wheeler market on this planet, registering an overall growth rate of 9.5 percent between 2006 and 2014. The growth in Indian Automobile Industry owed the most to a steep upsurge witnessed in the two-wheeler segment in 2014. The volume growth recorded in the 2014-15 fiscal year stood at a commendable 14.8 percent on a year-on-year basis. The 'Make in India' campaign of the Government of India is also going to attract more foreign investment into Indian TwoWheeler Industry creating further growth opportunities in the coming years.

A new study by Mc Kinsey Global Institute (MGI) suggest that if India continues its recent growth, average household incomes will triple over the next one decade and it will become the world's 5th largest consumer economy by 2025, up from 12th position. Today business around the world recognizes that the "consumer is the king". Companies can flourish only when they are able to understand the customer. Today in terms of modern marketing it is very important to consider customer as a focal point of their business activity. Marketing strategies are based on customer /buyer demand and needs. In a simple way we can say that buying decision is the response of stimuli. In the field of marketing it is very important to understand the meaning of perception and brand. Both are associated when it comes to purchase decision of two wheelers.

There are mainly four key psychological factors—Motivation, Perception, Learning, Memory, who fundamentally influence customer responses. This study focuses on perception factor. With Liberalization, Privatization and Globalization of the economy of India and the subsequent entry of many multinational players, the competition in two wheeler segments is increasing. As a result customers are getting wide variety of brand choices, competitive price and high standard of quality. In order to gain volumes under such competitive market it becomes the utmost requirement of the company to study various factors that influence perception of the customer about the product and results in creating positive image of the product and impact the buying decision. Two wheelers have played a pivotal role in rising growth of Indian automobile Industry. The automobile industry is the most lucrative industry and the major factors influencing demand for two wheelers in India are – Increasing middle class population, Easy financing, Festivals and weddings, Weak Public transport, Convenience and ease of operating. The study aims to showcase factors like product attributes, resale value, milege, advertisement and the personal factors upon which a company should work to create customer perception in a positive way to considerably influence the purchase decision. State capital Jaipur contributes 16% of total two wheeler industry of Rajasthan and represents a great variety of urban and rural customers (55:45%).

Major brands of motorcycles are considered in this study like Hero Moto Corp Ltd, Honda, TVS and Bajaj. The literature review is accessed with respect to the factors which determine buying behavior of a two wheeler user.

Literature review:

Bijapurkar, Rama. (2013) Explores the arena of consumerism in India and the strategies that are developed to please the consumer. In this book, the author tries to give readers some information about the environment in which consumers live; the way they think, their heterogeneous nature and their transformation is discussed. India being an emerging market in the world, there are a lot of business opportunities. The author tries to teach readers how to be ready to grab these opportunities and use them. A Never before World contains major inferences needed to evaluate the business opportunities and figure out the current market strategy. As an overall result of various changes, India is now in the third decade after liberalization. The structure of consumption and behavior of consumers is studied.

George, Sunila;Jha, Raghendra; Nagarajan andHari, K. (2002) The evolution of the industry's competitive structure is traced using Kendall's Index of Rank Concordance and the Evans Karras test of convergence. The industry seems to be characterized by oligopoly with the onset of economic reforms not making much difference to industrial structure. The values of the find Index also indicated that the three segments of the industry have responded in different ways to changes in the forces of competition.

Kanojia, A.K. (2011) States that top 4 motorcycle segment control 93% market share. Hero Moto Corp controls executive segment, Bajaj has premium segment and Honda has the dominant position in scooter segment. The author studied about various factors responsible for Hero Moto Corp being able to sustain leadership like highest network penetration, highest customer satisfaction with one of the fastest complaint resolution.

Krishnan Santana, R. (2007) looks into various issues faced by the two wheeler industry. In terms of competition, the industry is likely to face competition from used cars and low cost cars. Other issues are the declining margins due to increased cost of materials and shift in customers' demand to electric vehicles to save on petrol. In terms of growth, there are expectations that the industry is likely to grow by 15%. Most of the growth is likely to come from motorcycles. Some of the Indian motorcycle companies are also likely to set up plants in foreign countries to meet export needs.

Ragunatha D. and Kameshwari, M.L. (2005) Studied consumer buying behavior in two-wheeler industry with special reference to Hero Honda Motorcycles in the city of Hyderabad. The study revealed that the main influencer in purchase decision of motorcycle was himself. The sources of information preferred by the respondents for buying a two-wheeler were friends and associates. It was found that 90% of the respondents were satisfied with the performance, maintenance and after sales service provided by the dealers. It was also found that 93.35% of the respondents could recall the advertisements of motorcycle they had seen recently on TV or read in the newspaper or magazines. From this it was indicated that the advertising campaign was effective and served its purpose. The most preferred motorcycle by majority of the respondents was Hero Honda Splendor due to its brand image. Lindquist,

Jay D. and Joseph, Sirgy, M. (2003) This up-to-date text focuses on consumer shopping, buying and consumption behavior topics looking at both domestic and international theory and examples. It is divided into sections on marketing foundations, consumer decision making, psychological and sociological influences on consumer decision making, and special topics relating to public policy, organizational buying and conducting research.

Objectives:

1. To know the market leader among major brands of two wheeler companies
2. To analyse the impact of various factors influencing perception and purchase decision of customers

Hypothesis

Null Hypothesis: Two wheeler customers are equally prevailing in Jaipur Alternate Hypothesis: Two wheeler companies has different market share in villupuram

Null Hypothesis: Various factors has equal impact on purchase decision of customers Alternate Hypothesis: Every factor has different impact on purchase decision of customers

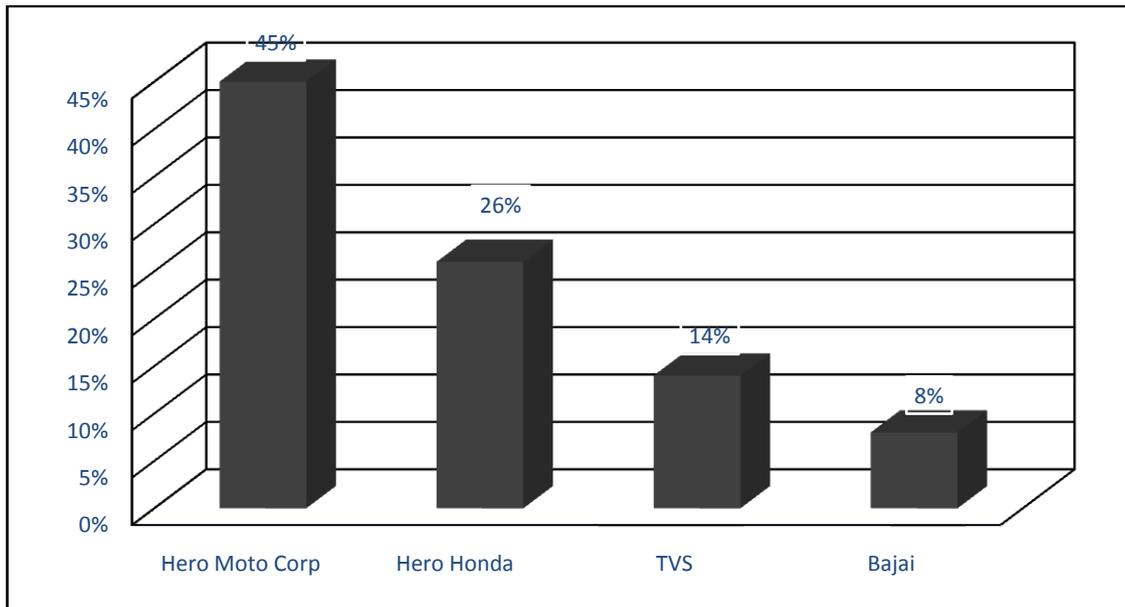
Methodology:

The primary data are collected from four major brands company outlets: Hero, Honda, TVS and Bajaj of Jaipur city. A well defined structured questionnaire was administered to the customers who come to the dealer outlets for either enquiry or purchase. The sampling technique used in this study is non probability and the sampling method is convenience sampling. A sample of equal number of customers is taken from each category summing the overall sample to 100. The sources of secondary data used in this study are Books, Magazines, Journals and Websites. Data was analyzed by simple percentage analysis, tabular and pie chart presentation.

Data analysis:

After getting feedback from respondents through structured questionnaire, the results have been compiled and presented below –

Table 1. Market share of four major brands



Source: Primary Source

This pie chart shows that Hero Moto Corp is having major share 45% out of rest three major brands. After split of Hero Honda venture, Honda emerging as challenger brand having 26% of market share. Third position grabbed by TVS with 14% market share and with 8% Bajaj stands on fourth position.

This result rejects null hypothesis and supports / accept alternate hypothesis that two wheeler companies has different market share in Jaipur city.

Table 2. Demographic factor impact on purchase decision

| 1. AGE IN YEARS | No. of Respondents |
|-----------------|--------------------|
| 20-30 | 35 |
| 31-40 | 42 |
| Above 40 | 23 |
| TOTAL | 100 |
| 2. GENDER | |
| MALE | 78 |
| FEMAL | 22 |
| TOTAL | 100 |
| 3. OCCUPATION | |
| STUDENT | 24 |
| SERVICE | 48 |
| BUSINESS | 23 |
| OTHER | 5 |
| TOTAL | 100 |
| 4. INCOME | |
| BELOW 3 LAC | 8 |
| 3-5 LAC | 52 |
| 5-7 LAC | 16 |
| ABOVE 7 LAC | 24 |
| TOTAL | 100 |

Source: Primary data

Above table shows that 42% respondents are from age group 31 -40 , which indicates that middle age person are potential customers of two wheelers in Jaipur city. 78% were male customers shows still male are dominant customers of two wheelers. Service class people use more two wheelers due to fuel efficiency and convenience factor which results into 48% users. 52% respondents are from 3-5 lac income level slab.

Table 3. Rank wise criteria for selecting product attributes of brand

| Criteria for brand selection | R1 | R2 | R3 | R4 | R5 | R6 | TOTAL |
|------------------------------|-----|-----|-----|-----|-----|-----|-------|
| Price | 30 | 30 | 20 | 10 | | 10 | 100 |
| Mileage | 35 | 30 | 20 | 10 | | | 100 |
| Service | 25 | 25 | 20 | | 30 | | 100 |
| Style | 10 | | 15 | 25 | 20 | 30 | 100 |
| Power | | 15 | | 25 | 25 | 25 | 100 |
| Resale Value | | | 20 | 30 | 25 | 25 | 100 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 600 |

Source: Primary data

Table 3 shows that respondents rated product attributes on six factors and rank them 1 to 6. Table 3 shows that price, service, mileages are high ranked attributes. 90% respondents given mileage the most important attribute as the criteria of purchase. Price the second highest with 80% and service with 70%. Style, power and resale value were ranked four, five and six respectively.

Table 4. Rank for Brand Preference

| Brand | R1 | R2 | R3 | R4 | R5 | R6 | TOTAL |
|--------|-----|-----|-----|-----|-----|-----|-------|
| HMCL | 34 | 32 | 25 | 9 | | | 100 |
| HMSI | 30 | 28 | 24 | | 18 | | 100 |
| TVS | 28 | 32 | 20 | 20 | | | 100 |
| BAJAJ | | | 31 | 21 | 20 | 28 | 100 |
| YAMAHA | 8 | | 26 | 36 | 30 | | 100 |
| OTHERS | | 8 | | 24 | 26 | 42 | 100 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Primary Data

Table 4 reveals that top three positions are occupied by Hero Moto Corp, Honda and TVS. Bajaj is on fourth position in Jaipur city.

The result shows that every factor has different impact on purchase decision which rejects null hypothesis and accepts alternate one.

Suggestions

1. Positioning the brand is the most difficult job in marketing strategy. Scooter sale is rising nowadays. The new players are entering into scooter segment.
2. Dominant players are introducing latest features to their product line up to keep customers by the side. Every year two wheeler companies introducing new models with latest technology which affects customer perception and results into impact on purchase decision.
3. Peoples are having financial problems companies are to be sold to peoples on that monthly installment basis.

Conclusion:

This study has observed many factors that affect customer buying behavior. This study also focuses on market share of major two wheelers brand in Jaipur city. At the time of purchasing two wheeler customer has different choice for two wheelers but the purchase decision depends on various factors like product attributes, price , credit facility and brand. Study concluded that Hero Moto Corp is the

leading brand of two wheeler in Jaipur city followed by Honda, TVS and Bajaj. This study helped the researcher to use theoretical knowledge and to gain useful insights about the importance of customer perception.

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