

Consumer Behavior in Indian Two Wheeler Industry

¹Devendra Patil, ²Debadri Pal, ³Dr. Meenal Pendse

¹Student of MBA, ² Student of MBA, ³Assistant Professor
¹School of Management-PG under Faculty of Management,
¹MIT World Peace University, Pune, India.

Abstract: The study is based on the consumer behavior for purchasing two wheeler bike in Indian market. It focuses on the top players of two wheeler industry to understand the different ways the companies try to attract the customers and how they try to satisfy the consumers demand. This survey is basically considering the top players of market like Hero-moto crop, Honda motors, Bajaj, TVS motors, and Royal Enfield.

Index Terms - Consumers, Top plyers in two wheelers, Two Wheelers, and Factor.

I. INTRODUCTION

“Consumer behavior is the study of how the people make decisions about what they buy, want, need or act in regards to a product, service, or company.” As definition suggest that it is a study of consumers what they want from market. So in this paper we have taken a survey of different people with different age group, different educational background and different areas to know the consumer choice of buying the two wheeler bike.

In any type of business marketing is start with the consumer and ends with consumer so satisfaction of the consumer is most important things. The efforts to ensure the consumers satisfaction to know the like dislike of consumer, expectation of consumer and motivation. In this paper various factors that influences the buying decision of consumers during purchasing the two wheeler bike. Which is taking place by using different questioner to consumers of different location which is collaborate it and analyze it by using statistical data and also taking desk research of the top players which is gives the market share of players and its effect on industry.

II. LITERATURE REVIEW:

Debasis Tripathy, Dr. Ronald Mani [1]. This paper is based on Allahabad city of Uttar Pradesh India. The study is based to identify the satisfaction level of two wheeler bike users in the Allahabad city. The survey is mainly focused on the factors in which the bike owners are satisfied or dissatisfied with two wheelers they are using. The basic research methodology is based on primary data collection, Secondary data collection and sample design. From that study he concludes that HONDA, BAJAJ and HERO shows maximum satisfaction is respect to Mileage, Power, Design, Technology and After Sales Service whereas TVS attains least satisfaction.

Dr. M. Kannan, S. Suriyanarayanan [2] Decision related to buying is consistent, since consumption is part of every person’s life. But the mode and type of consumption of the end user differ according to their needs and desires. After sales service plays a huge role in a consumer choosing a particular company for services while the next top priority of the customer being mileage. The end user prefers to buy product or services which provide enduring benefits with add on services at affordable price. The growing number of brands and sub brands provide the customer with more options to buy from by comparing the services that they are availed and then they judge what will give those best returns for their investments. Along with all these, introduction of add-on features, technological advancements also contribute to the decision made by the customer.

Dr. K. Mallikarjuna reddy [3]. The paper implies that the how marketing concept is depends on the human behavior. The essence of modern marketing lies in building of profit along with creating meaningful value satisfaction for the costumers, whose needs and desires have to be coordinated with the set of products and production programs. The major factors affect consumer behavior is needs, attitude, values, personality, characteristics, social economic and cultural background, age, gender etc.

There are four major factors which influences on the buying behavior of consumer. Which is study in the paper:

1. Cultural factors
2. Social factors
3. Personal factors
4. Psychological factors.

So a study had been conducted in twin city i.e. Hyderabad and Secunderabad with sample of 100 consumers.

Dr. Aparna. J. Varma, Dr. Ashwini. J, Ms. Vinutha. R [4]. This paper tries to find the impact of select dimensions of brand equity like brand awareness, brand association, brand loyalty and perceived quality on customer’s preference while purchasing a bike in Mysuru market. The American Marketing Association defines a brand as: a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors (Kotler, 2003). Brand equity refers to the value of a brand. Need of the study is to Automobile industry in India is majorly contribution in economic development of country and through two wheeler industry in India is going through healthy growth.

Seema Mehrotra, Paulomi M. Sudhir, Manoj K. Sharma, Neelima Chakraborty, Rajeev Joseph Michael, Rajesh Kumar, Humera Banu.[5] The present paper focuses on exploring and documenting emotional states associated with two-wheeler riding in urban Indian youth. The study sampled 1,650 youth, aged between 17-30 years, from 30 educational institutes in Bangalore and Delhi. A Riding Survey developed during the pilot phase was used for data collection. The study highlights the salience of positive and negative emotions in riding behaviors of two-wheeler Indian youth riders, and points to the need for inclusion of emotion and emotional management components in road safety intervention programs that target youth.

The present paper was exploratory and descriptive and limited to the reports of the youth themselves and their own perceptions about the role of emotions in their riding behaviors. And also limited to college youth of urban area.

Parampreet Kaur, Uttam Kumar Banerjee, Abraham George. [6] There is a big impact of weather condition it will be observed that people rate these climatic condition differently. This study focuses on the perceived severity of ten weather conditions by different socioeconomic groups. The study is taking place of different weather condition like in summer- hot day, hot-humid, heat wave. In monsoon- light rain, heavy rain, very heavy rain. In winter- cold, cold wave, cold with precipitation and normal weather condition. For this study, Kuppuswamy's socioeconomic scale is used. It is calculated by summing the scores of three variables, namely; income, occupation and education. It further divides the score in five socioeconomic categories, namely; Upper, Upper Middle, Lower middle, Upper Lower and Lower class.

Sunila George, Raghendra Jha, Hari K. Nagarajan. [7] This paper studies the evolution of the competitive structure of the two-wheeler industry in India. 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. Convergence of sales and capacity at the level of the industry is conditional while it is absolute at the level of the segment. The two-wheeler industry (henceforth TWI) in India has been in existence since 1955. It consists of three segments viz., scooters, motorcycles, and mopeds. The increase in sales volume of this industry is proof of its high growth. In 1971, sales were around 0.1 million units per annum. But by 1998, this figure had risen to 3 million units per annum. Similarly, capacities of production have also increased from about 0.2 million units of annual capacity in the seventies to more than 4 million units in the late nineties.

The computed Herfindahl Index indicate that the Indian two-wheeler industry continues to be oligopolistic in the post-reforms period even though the degree of concentration has declined.

Saillaja. V [8] Two-wheeler market players in India BAJAJ, TVS, ROYAL ENFIELD, Mahindra & Mahindra, SUZUKI, YAMAHA, HMSI, HEROMOTOCORP. Competition is very high in the market and hence change of strategy is undertaken like expansion with new tie ups to explore in rural as well as in the premium segments. For the future, in this stiff competition period, the players eye on customer satisfaction and after sales service. Technology plays a very crucial and elixir role for innovation product differentiation, quality improvement, new product development, add value creation to customers and key players in the market thus increasing the growth of the industry and relative market shares of the key players in the industry.

III. OBJECTIVE:

- To study and understand two wheeler sales in Indian market.
- This study the kind of two wheelers consumer prefer.
- The brands they target; the features customer is mostly concerned.
- Purpose and usage of two wheelers among different age groups.
- To study the impact of technological advancement with respect to features on price of the two wheeler.

IV. RESEARCH METHODOLOGY:

Research methodology is a mixture of primary Data and secondary data that we will be combined to understands the customer's tendency of buying two wheelers by comparing the different aspects of the sales, the parameter that customers are concerned about and the data from the company on their past sales.

Primary Data:

The primary data is collected through questionnaire from city of Pune. The questionnaire was pre-designed and pre-tested by expert.

Secondary data:

Secondary data is collected through various magazines, annual report, newspapers and websites. And it is used for the research purpose and the same data is used for interpretation and explanation of the customer's interests.

Sample Design:

A total of 110 existing buyers were randomly selected from the city of Pune. The following motor bikes were selected on the basis of sales namely Bajaj motors, Hero Moto-Corp, Honda motors, Royal Enfield and TVS motors.

V. MARKET OF INDIAN TWO-WHEELER:

The Indian automobile market is a very huge market it contains different types of vehicle such as two-wheeler, three wheelers, commercial vehicle, and passenger vehicle, etc. On studying the market, the two-wheeler market share is around 80 percent. Three-wheeler is taking about 3 percent. Commercial vehicle is 4 percent. And passenger vehicle is 13 percent. The two-wheeler segment is the only one that has clocked positive growth at 9 to 10 percent YoY (year-on-year).

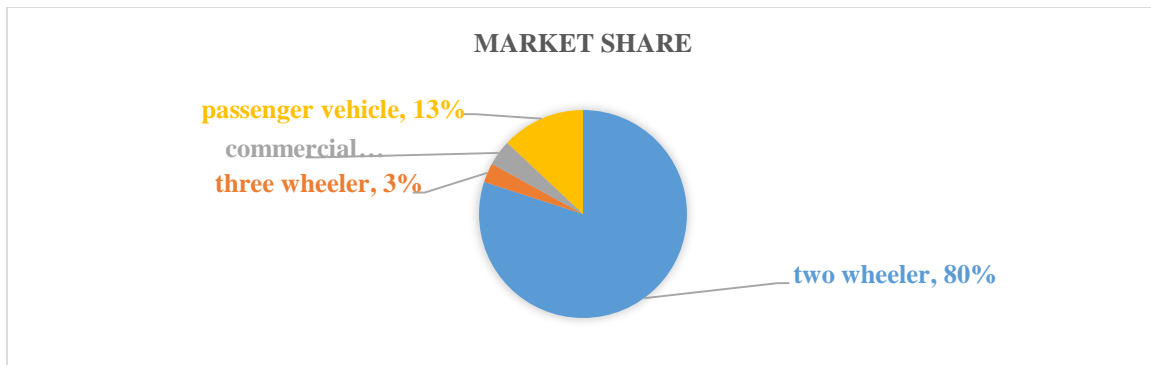


Figure - 1: Market share

Market player of two-wheeler in India

- 1) Hero moto corp.
- 2) Honda Motor Company, ltd.
- 3) TVS motors.
- 4) Bajaj auto.
- 5) Royal Enfield.

Market share of different players of two-wheeler industry

There are five major players that are contributing in two-wheeler market which is take around the 91.8 percent. It is the overall contribution of all the three segments of two-wheeler. The three segment of two-wheeler is Motorcycles, Scooter and Mopeds.

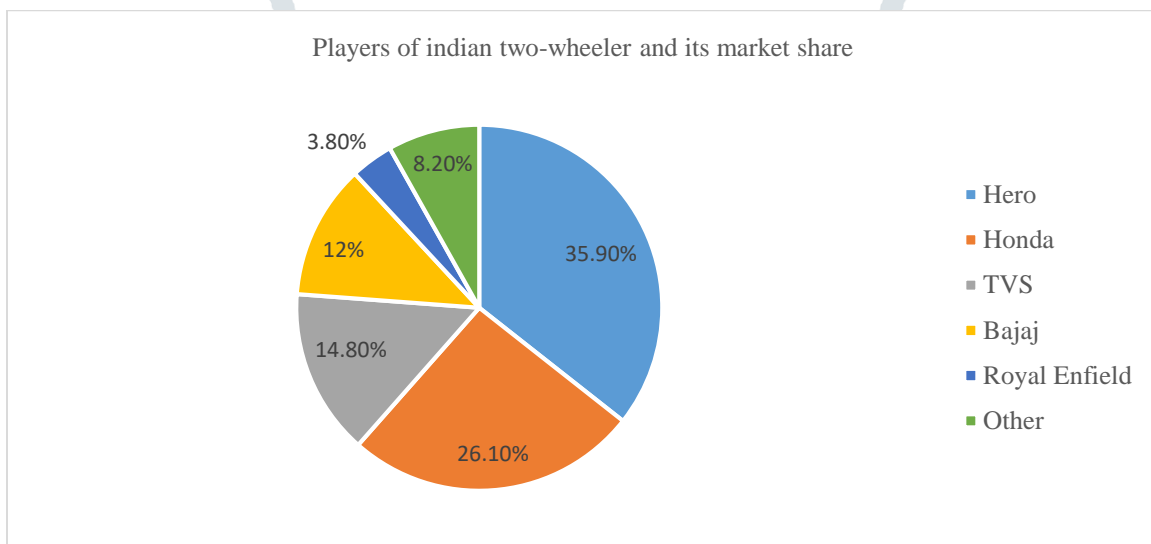


Figure -2: Players of Indian two-wheeler and its market share

Current strategies of the players:

1) Hero Moto-Corp.

- Hero Moto-Corp providing low cost product to delight customers and to compete stiff competition.
- To build a thriving product portfolio across the categories.
- Search new growth opportunity globally.
- Improving its operational efficiency throughout life cycle.
- Products with use of high technology and vivid and visionary imagination.
- Preserving acting to ensure that are customers are treated as guests.

2) Honda Motor Company Ltd.

- The three joy (buying, selling, creating).
- Superior fuel economy with optimal safety to give driving pleasure to the customer.
- Improve the customer relationship.
- Dedication to supply the highest quality product at reasonable price for worldwide customer satisfaction.
- Keep evaluating and risk management.

3) Bajaj auto Ltd.

- Cost effectiveness it has helped them to maintain their high profit margins.
- Save huge on marketing and advertising cost.
- Focused only on a few brands and aimed at existing customers to give them greater confidence that they have bought a grate product.
- Technology upgradation.

4) TVS motors

- It strives and thrives in manufacturing innovative and pioneer products.
- It used the survival strategy to remain competitive. Which includes the pricing strategy of marketing mix is used to survive in the competition.

5) Royal Enfield

- Exploring newer segments with the idea of bigger engines and diesel variants.
- Strong bike with better performance and fuel economy.
- Diversity and inclusion.

VI. Data analysis and interpretation:

The research was done for analyzing the two wheeler sales in Indian market among different age groups depending on their choices and expectations considering all other parameters like willingness to invest, purchasing capacity and usage purpose. All the findings are based on the questionnaire filled the respondents.

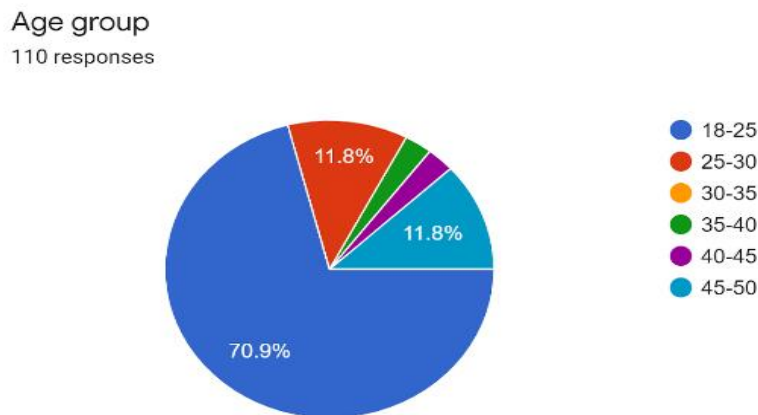


Figure -3: Age group

The age of respondents is categorized into 18 to 25, 25 to 30, 30 to 35, 35 to 40, 40 to 45 and 45-50. Total number of respondents is 110. Out of this, 70.9% i.e. 78 are from the age group of 18 to 25, 11.8% i.e. 13 belong to the age group of 25 to 30, 2.7% i.e. 3 belong to the age group of 35 to 40, 2.7% i.e. 3 belong to the age group of 40 to 45 and 11.8% i.e. 13 belong to the age group of 45 to 50.

Gender
110 responses

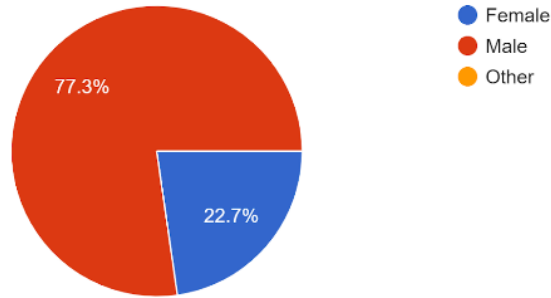


Figure- 4: Gender

Out of all the respondents, 77.3% i.e. 85 are male and 22.7% i.e. 25 are females.

Residency area
110 responses

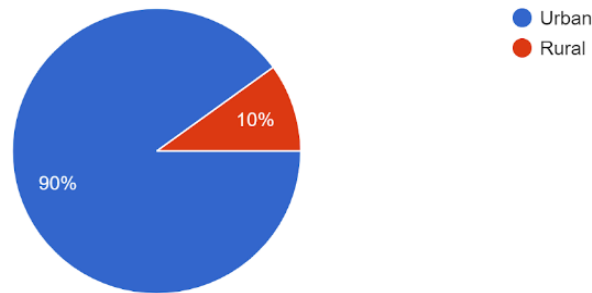


Figure- 5: Residency area

90% i.e. 99 of the respondents are from Urban area while 10% i.e. 11 respondents are from rural area.

Highest qualification
110 responses

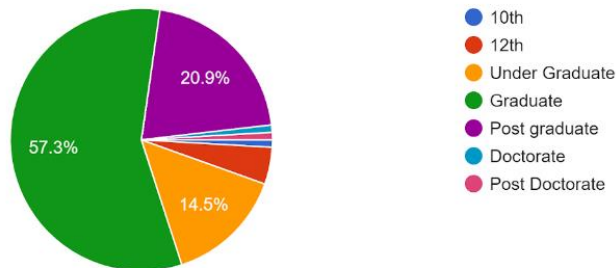


Figure- 6: Highest qualification

57.3% of the respondents are Graduates, 20.9% are Post Graduates, 0.9% are Doctorate, 0.9% are Post Doctorate, 0.9% are 10th passed, 4.5% are 12th passed and 14.5% are Under Graduates.

Employment Status
110 responses

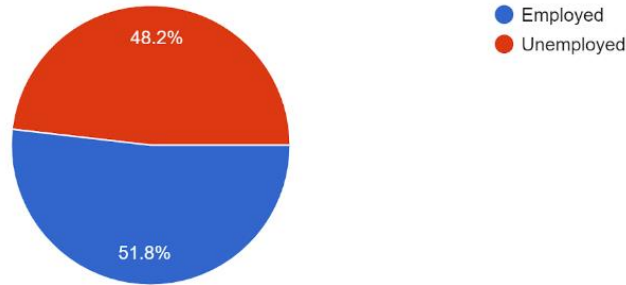


Figure-7: Employment status

Employment status shows that 51.8% are employed while 48.2% are unemployed out of the 110 respondents.

Occupation
110 responses

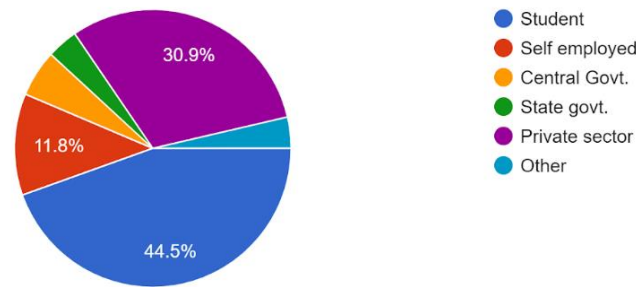


Figure-8: Occupation

Occupation distribution of the employed respondent's show that 44.5% i.e. 49 of all the respondents are students, 11.8% i.e. 13 are self-employed, 5.5% i.e. 6 are in central government, 3.6% i.e. 4 are in state government, 30.9% i.e. 34 are in private sector and only 3.6% i.e. 4 are in other occupation.

Select income range (yearly)
110 responses

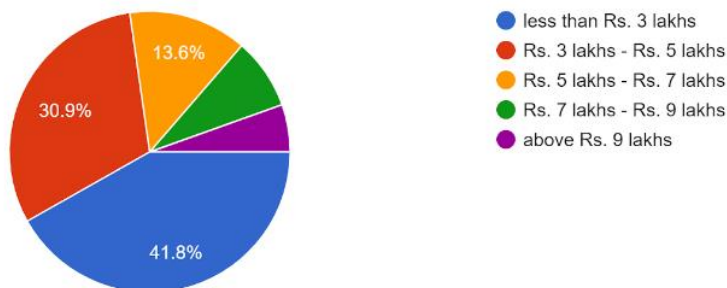


Figure-9: Income range

Yearly income ranges of the respondents show that 41.8% i.e. 46 are earning less than Rs. 3 lakhs, 30.9% i.e. 34 are within the range of Rs. 3 lakhs – Rs. 5 lakhs, 13.6% i.e. 15 are within the range of Rs. 5 lakhs – Rs. 7 lakhs, 8.2% i.e. 9 are within the range of Rs. 7 lakhs – Rs. 9 lakhs and 5.5% i.e. 6 are earning above Rs. 9 lakhs.

Willing to invest on a two wheeler
110 responses

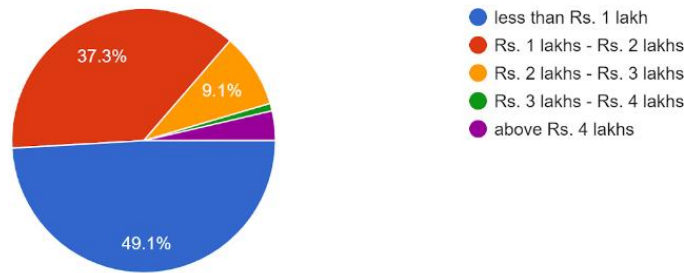


Figure-10: Willing to invest on a two wheeler

Willingness for investment in two wheeler shows that 49.1% i.e. 54 people are willing to invest less than Rs.1 lakh, 37.3% i.e. 41 respondents are willing to invest in the range of Rs.1 lakh – Rs.2 lakhs, 9.1% i.e. 10 respondents are willing to invest in the range of Rs.2 lakhs – Rs.3 lakhs, 0.9% i.e. 1 respondent is willing to invest in the range of Rs.3 lakhs – Rs.4 lakhs and 3.6% i.e. 4 respondents are willing to invest Rs.4 lakhs.

Type of two wheeler preferred
110 responses

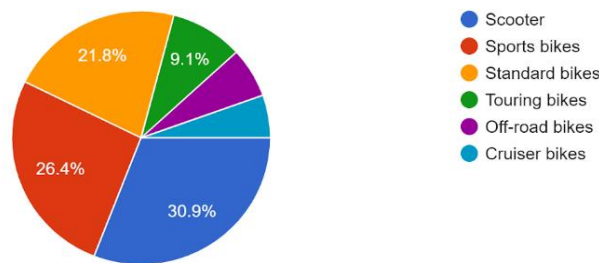


Figure-11: Type of two wheeler preferred

Type of two-wheeler preferred among the respondents show that 30.9% i.e. 34 respondents prefer scooters, 26.4% i.e. 29 respondents prefer sports bikes, 21.8% i.e. 24 respondents prefer standard bikes, 9.1% i.e. 10 respondents prefer touring bikes, 6.4% i.e. 7 respondents prefers off-road bikes and 5.5% i.e. 6 respondents prefer cruiser bikes.

Two wheeler brand preferred
110 responses

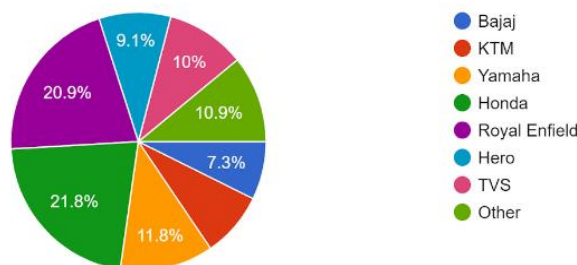


Figure-12: Two wheeler brand preferred

Brand preference for two wheeler shows that 7.3% i.e. 8 respondents preferred Bajaj, 8.2% i.e. 9 respondents preferred KTM, 11.8% i.e. 13 respondents preferred Yamaha, 21.8% i.e. 24 respondents preferred Honda, 20.9% i.e. 23 respondents preferred Royal Enfield, 9.1% i.e. 10 respondents preferred Hero, 10% i.e. 11 respondents preferred TVS and 10.9% i.e. 12 respondents preferred other brands.

Purpose of usage
110 responses

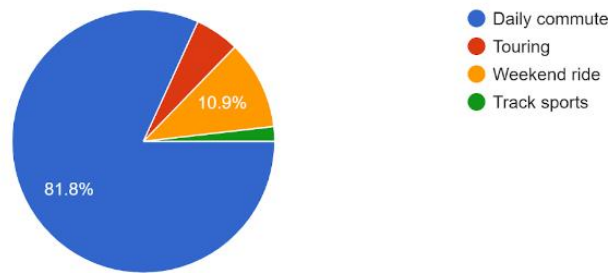


Figure-13: Purpose of usage

Purpose of usage for two wheeler shows that 81.8% i.e. 90 of the respondents use is for daily commute, 5.5% i.e. 6 of the respondents use is for touring, 10.9% i.e. 12 of the respondents use is for weekend rides and 1.8% i.e. 2 of the respondents use is for track sports.

Importance of factors for buying two wheeler

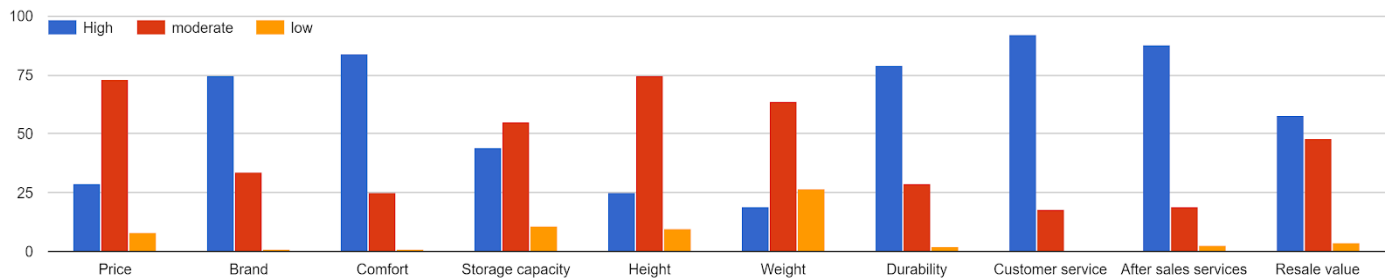


Figure-14: Important factor for buying two wheeler

Factors that customer check while buying two wheeler shows that price is moderately considered by most of the respondents, while brand is highly considered. Comfort again has high level of importance while storage capacity shows mixed importance. Height and weight of the two wheeler has moderate importance while durability, customer service, after sale services and resale value all had high importance.

Feature preference

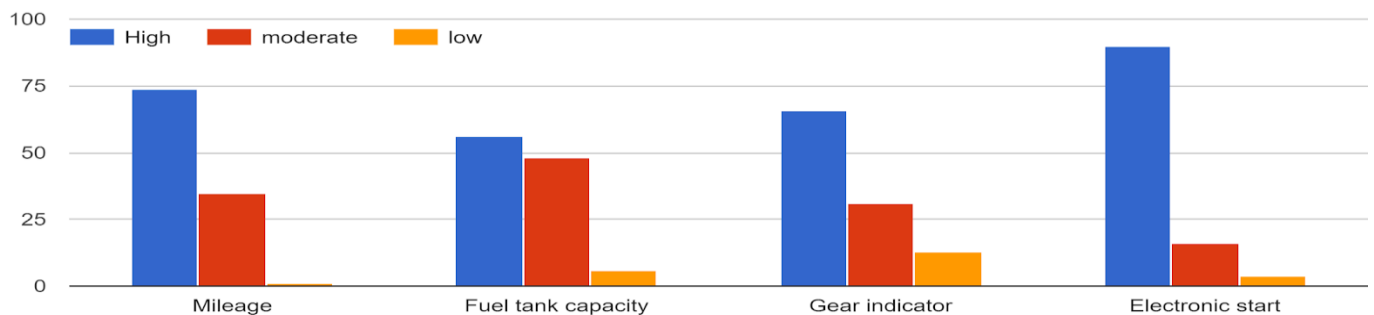


Figure-15: Feature preference

Feature preference shows that mileage has high priority and electronic start has high preference while fuel tank capacity and gear indicator have high to moderate preference

Feature preferences (engine cc)
110 responses

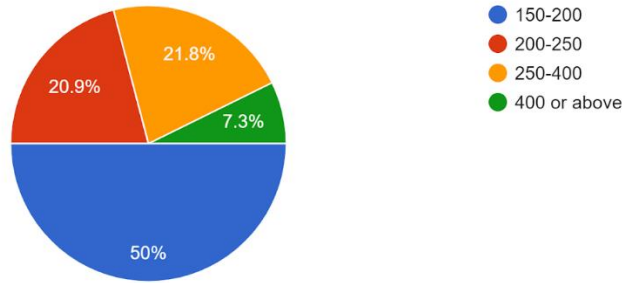


Figure-16: Feature preference (engine cc)

Preference of engine cc shows that 50% i.e. 55 of the respondents prefer 150-200 cc vehicles, 20.9% i.e. 23 of the respondents prefer 200-250 cc, 21.8 % i.e. 24 of the respondents prefer 250-400 cc and 7.3% i.e. 8 of the respondents prefer 400cc or above.

Braking system

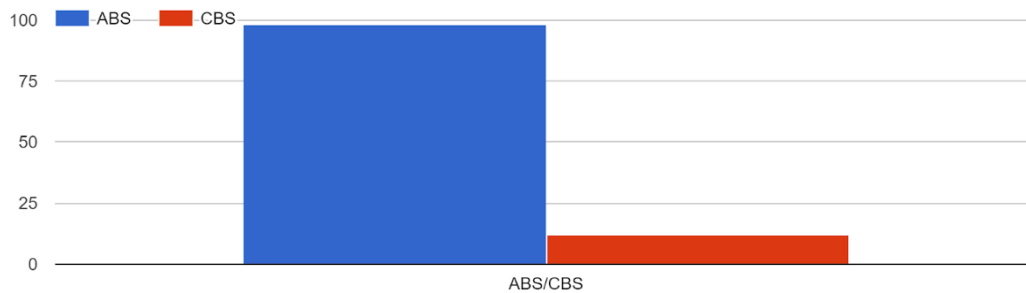


Figure-17: Braking system

Preference to ABS is higher than CBS braking system.

Type of brake

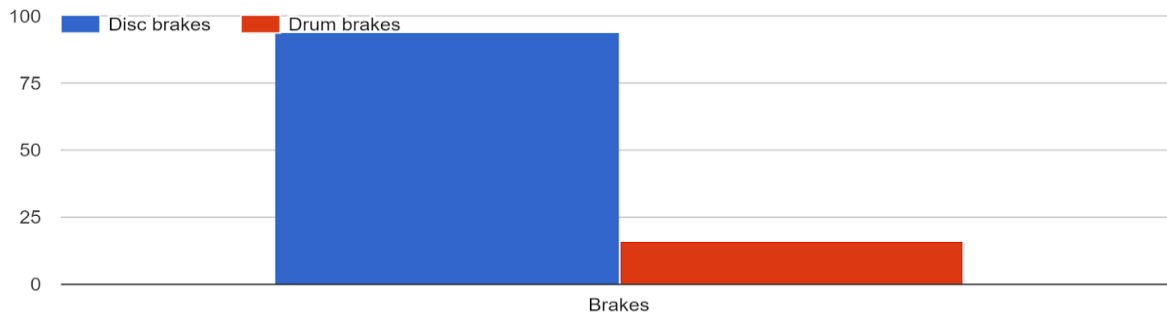


Figure-18: Types of brake

Disc brakes are preferred over drum brakes.

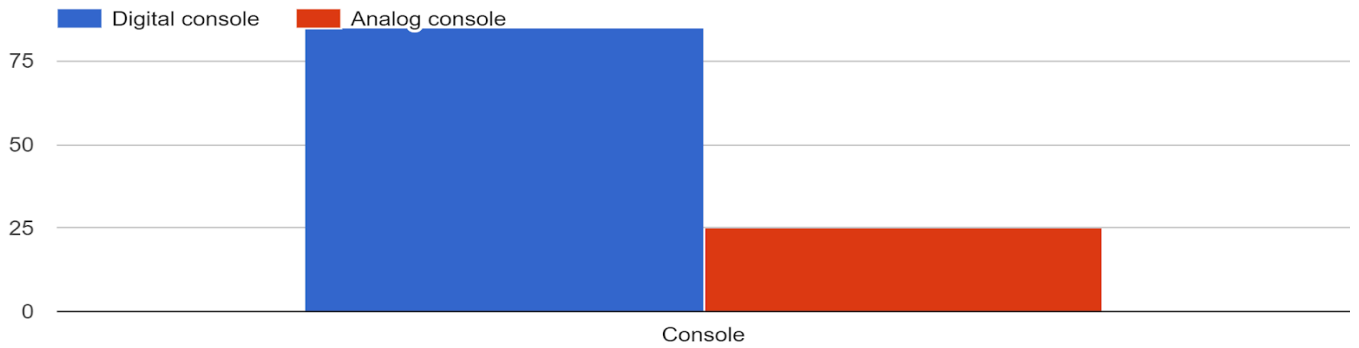


Figure-18: Type of console

Digital consoles are preferred by the respondents over analog consoles due to more information displayed on them and easy readability by for the user.

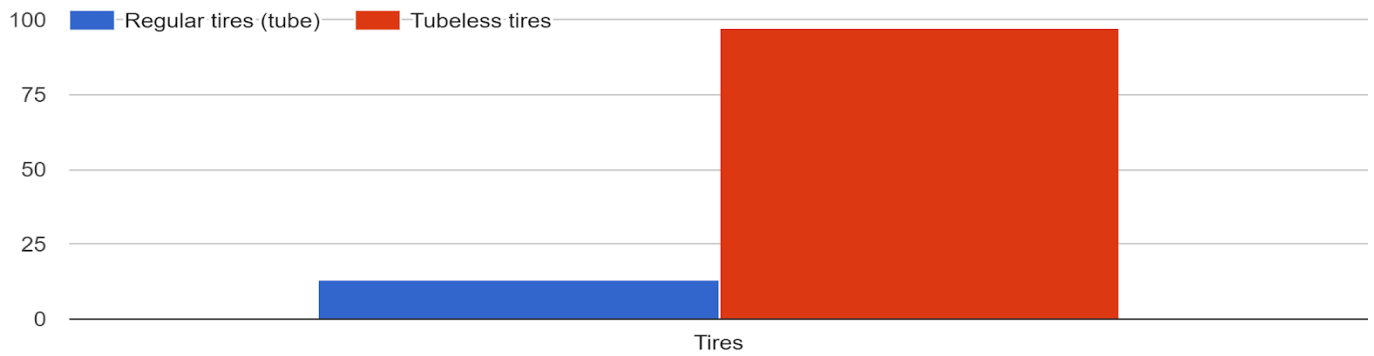


Figure-19: Type of tires

Tubeless tires are preferred over regular tube tires due to their advantages like longer tire life and sturdiness.

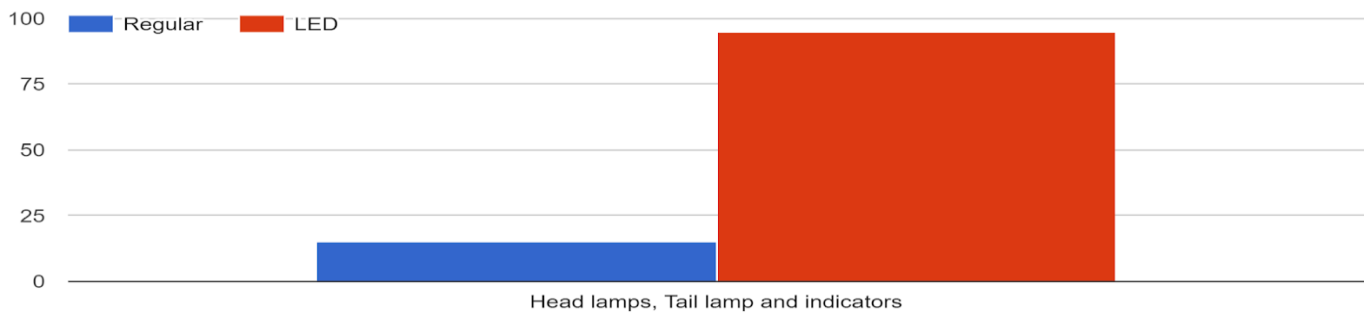


Figure-20: Type of head lamps, tail lamps and indicators

Led headlamps and indicator lamps are preferred over regular light bulbs due to less power consumption and more brightness which aid the riders with better view as compared to regular bulbs.

VII. Conclusion:

The results show that people are aware about the latest features and improvements in the two wheeler industry and they also understand the benefits. But, their willingness to invest in two wheeler remains low and they expect more features at lower prices. This indicates that the companies need to price their products aggressively with feature packed vehicles to be able to satisfy the customers and remain competitive in the market.

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