

## **A Study Analysing the Perception of Youngsters in Making Purchase Decision of Bikes or Scooters In and Around Landran near Mohali**

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### **Abstract**

The Indian two-wheeler industry has come long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa Scooters in India. Since then, the customer preferences have changed in favour of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expense of metal-bodied geared scooters and mopeds. These changes in customer preferences have had an impact on fortunes of the players. Scooters used to dominate Indian roads a few decades ago. In 1996, their market share fell but still they had almost half of two-wheeler sales while of motorcycles, it stood at around 30 per cent. By 2006, the reversal was dramatic. The industry expects an upswing in scooters to about 30 per cent in four or five years which could further scale up to 35 to 40 per cent. Scooters market share is already at 35 per cent in the 'urbanized' states – Karnataka, Maharashtra and Gujarat. Urbanized implies good urban road infrastructure, a significant number of working women etc.

### **Introduction**

**Indian Two-Wheeler Industry:** The two wheeler industry has been going steadily over the years all over the world. India is not an exception for that. Today India is the second largest manufactures of two wheelers in the world. It stands next only to Japan and China in terms of number of two wheelers produced and sold. Until 1990 geared scooters dominated the two wheelers market so much so that their sales equaled the combined sales of Motor cycles and Mopeds. Today the customer preferences have shifted from geared scooters to motorcycles and also to an extent to the premium end scooters. With rising fuel cost and more recently stringent emission norms imposed by the government, there is a distinct consumer preference for high efficiency.

The Indian two-wheeler industry has come long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa Scooters in India. Since then, the customer preferences have changed in favour of motorcycles and gearless scooterettes that score higher on technology, fuel economy and aesthetic appeal, at the expense of metal-bodied geared scooters and mopeds. These changes in customer preferences have had an impact on fortunes of the players. The rest while leaders have either perished or have significantly lost market share, whereas new leaders have emerged. Rising income levels, reducing excise duties, higher loan tenure and loan-to-value offered by the financing companies have all fuelled the growth of two-wheeler sales in the country. Besides, mounting traffic chaos and limited parking space has also

increased the demand for two-wheelers from households that can afford or actually do own a car. Further more, with increasing women working population, changing social philosophy and broad-mindedness, the penetration of two-wheelers that is currently at low level is expected to increase significantly going forward. CARE Research has developed a statistical model that attempts to forecast the domestic two wheeler sales on the basis of ownership cost and the target population that includes young populace that can afford but do not own a two wheeler. Other qualitative factors like macro-economic outlook, consumer confidence, willingness of vehicle financiers to finance TWs, etc. have also been quantitatively built in demand forecasting model. CARE Research foresees the growth of two-wheeler sales to be healthy during the period

Scooters are popular for personal transport, partly due to being cheap to buy, easy to operate and convenient to park and store. Scooter-like traits began to develop in motorcycle designs around the 1900s. In India, Bajaj Auto manufactured its line of scooters from 1972 to 2009, which included the Chetak, Legend, Super and Priya. The Chetak and Legend were based on the Italian Vespa Sprint. It was discontinued in 2009.

### **Growth Rate**

Scooters used to dominate Indian roads a few decades ago. In 1996, they fell in share but still occupied almost half of our two-wheeler sales while motorcycles stood at about 30 per cent. By 2006, the reversal was dramatic. We became a market that bought 87 per cent motorcycles and 12 per cent scooters. Since then, the automatic scooter has been growing as fast as 40 per cent year on year and has now hit about 25 per cent share in the Indian two-wheeler market. If scooters grow at this rate and motorcycles stay at a growth rate of 6 to 10 per cent, then scooters could equal motorcycles once more, right?

The industry seems to agree that the current upswing in scooters will bring them to about 30 per cent in four or five years and 35 to 40 per cent of the market is, further, possible. Scooters are already at 35 per cent or so in volume in the 'urbanised' states – Karnataka, Maharashtra and Gujarat. Urbanised implies good urban road infrastructure, a significant number of working women etc. The more states that follow this trend, the more scooters will benefit. Women as a market segment are still considered as less than significant players in two-wheelers and the second reasonable assumption is that women entering the workplace will prefer scooters, boosting sales, though not at the expense of motorcycles. Further, scooters are India-friendly. You can carry stuff, they are easy to ride and in the family context, almost everyone can ride one. Finally, the fuel efficiency gap between scooters and motorcycles has been narrowing. In fact, even outside the big cities people have taken to scooters because they work well for their use pattern – some load and short trips.

**Leaders in Two Wheeler Manufacturers are:  
Hero Honda Motors Ltd:**

**Bajaj Auto Limited****TVS Motors Ltd****TVS Suzuki Bikes and Scooters:****Royal Enfield:****Majestic Auto Ltd:****Mahindra Two Wheelers Limited****Key Challenges****Price based competition -A Vicious circle**

The Indian two wheeler market is increasingly becoming a price warfield<sup>17</sup>. Everyone and their competitor wants to win the title of the 'World's cheapest bike' and the customer has become the King. But the question remains if this price based competition is good for the health of the industry? Isn't everyone eating their own margins in the quest for greater market share and farther market expansion? And where does this leave smaller players like LML (going through some very tough times as of now), Kinetic (good scooters, questionable field network, trying hard in motorcycles) and even Yamaha and TVS?

A dominant firm like Hero Honda or Bajaj Auto can arm twist suppliers to deliver parts cheaper, which the suppliers won't mind doing considering the volumes that these two dominant player offer. Both the Munjal and Bajaj families are also typical in the way they promote companies run by their brothers, cousins, in-laws etc. etc. So Bajaj Auto can always ask for cheaper rates from a Varroc or Auragabad Electricals while Hero Honda can do the same with MAC or Munjal Showa or Omax Auto.

**Low volumes**

High component prices > High final price > Still lower volumes > Low profitability or another way forward may be Low volumes > High component prices > Low final prices > Compromise on margins > Low profitability.

Still another way forward may be like this Low volumes > Low component prices (compromise on component quality) > Low final product price > High volumes > Low dependability > Low customer satisfaction > Low volumes > Low profitability. Thus the fat gets fatter while the small gets smaller and may eventually get wiped out.

**Objectives of the Study**

To study the latest trend in two wheelers among young generation. Analyzing preference of youngsters while choosing the two wheeler, market shares of scooters. Analyze favourite Brands among males and females for both Scooter and Bike. To study which is more popular, Scooter or Bike and to find out the most appealing attribute which is a major factor for purchase of Bikes or Scooters.

**Review of Literature**

The two wheeler industry in India collectively produces 20 Lakh vehicles a year. Some players

have managed to cut through consumer resistance with innovation, pricing and aggressive marketing. The competition level in the two wheeler industry is very high now. Many brands are fighting in the market for maximum share. They have to bring out a lot of differentiation among them. The major duty of the marketer is to know the reasons for preferring particular motor bike by the consumers.

1. Dr. Dugganiyavaraju (2013) conducted study on customer satisfaction towards Honda two wheelers: a case study in tirupati.

The main objective of the study is to find out the customer satisfaction level towards Honda bikes Services. The primary data collected 100 responds the study had found that all the responds were aware about this company 60% of the responds felt the explanation to be “excellent”. And 35% of them “very good” and rest of the 5% felt to be “poor” according to them sales executives. Finally the concluded that a study was useful in understanding the customer relationship, management of Honda bikes are among various customer launching new formulation can make Honda to the pioneer in many market segments.

2. Sheetal Soni & Abhishek Soni (2012) study on consumer behaviour towards two-wheelers bike-a corporative study of rural and urban consumers of Jodhpur district Rajasthan.

The main theme of the study is to compare consumer behavior of urban and rural consumer. A sample of 100 consumers was selected for the present study from Jodhpur district, Rajasthan. The tool used in the study is simple random method .the study had found that in urban areas, out of 11 respondents who use TVS Two-wheelers, 73% reported that the performances of their two wheelers was good, 9% said that it was excellent and 18% rated it as fair. In rural areas, out 12 respondents, 50% felt the performance was good, and 25% each rated it as excellent and fair respectively. Finally it is concluded that in a developing country like India, where sizeable proportion of the population comprises of the middle class.

3. Dr. Sardar Gugloth (2011) A study relating to the decision-making process of purchasing two wheelers in rural area of Andhra Pradesh.

The main objective of the study is to identify the factors influencing rural consumers, in brand selection while purchasing two wheelers to identify the rural consumer's choice of preference while purchasing the two wheelers. The study was conducted on a sample of 96% consumers. The tools used in the study are simple percentage and chi-square tests have been used in order to study the objectives. the study had found that majority of respondents are influenced by family members and friends at the time of brand selection, most of the rural consumers are giving their performance to mileage

4. Omesh Chandra (2011) study of consumer buying behaviour towards bikes.

The main theme of the study to the rapid changing perception of consumers towards power

segments bikes to study the satisfaction level of consumers, who users bikes. Information was collected from a sample size of 50 respondents in four districts. The consumers prefer to purchase the bikes with offer high fuel efficiency, good quality, technology, durability and reasonable price. The tool used in the study is chi-square tests. The study had found that 53% respondents are highly satisfaction with their bikes. 47% respondents is satisfied with their bikes. Finally it was concluded that most of the respondents were aware of many popular brands of bikes.

5. Dr. Sakthivel Murugan perception of women consumers to awards the purchase decision to wheelers in India-study with reference to metropolitan cites. The main object of the study the women consumers' awareness, preference and purchase decision of two wheelers in metro cities, to women two wheelers. The researchers used convenience sampling method for collecting the data from the respondents. The data was collected from the respondents 400 questionnaires. The tools used in the study are chi-square tests. The study had found that the researcher had investigation the extends of perception of women consumers towards the purchase decision of two wheelers in metropolitan cities in India. Finally the concluded that the results discussed above shows the perception of women Consumers of two wheelers through India.

### **Need of the Study**

#### **Consumer**

A person who purchase or has the capacity to purchase the goods of service often for sale by the marketing firm in order to satisfy personal need and desires.

#### **Perception**

Perception is the sensing of stimuli external to the individual organism the act or process of comprehending the world in which the individual exists. Perception has been defined by social psychologists as the "Complex process" by which people select organize and interprets sensory stimulation in to a meaningful and coherent Picture of the work.

Consumer perception applies the concept of sensory perception to marketing and advertising. Just as sensory perception relates to how humans perceive and process sensory stimuli through their five senses, consumer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make. Merchants apply consumer perception theory to determine how their customers perceive them. They also use consumer perception theory to develop marketing and advertising strategies intended to retain current customers -- and attract new ones.

#### **Self Perception**

Self perception theory attempts to explain how individuals develop an understanding of the motivations behind their own behavior. Self perception by customers relates to values and motivations that drive buying behavior -- which is also an important aspect of consumer perception theory.

### **Price Perception**

While mass merchandisers such as Wal-Mart emphasize low prices as an inherent virtue, upscale merchants attempt to emphasize quality and value for money to appeal to potential customers. Researchers at the School of Business Administration at LaSalle University and LeBow College of Business at Drexel University considered several factors, including price perception -- whether consumers believed they were being charged fair prices -- in determining whether online shoppers would make repeat purchases through the same website.

### **Benefit Perception**

"It's good, and it's good for you." Many consumers are familiar with this phrase frequently associated with food advertising. Researchers from Marquette University, Louisiana State University and the University of Arkansas surveyed customers to determine how nutrition claims associated with food affected their perception of that food's nutritional value.

### **Attitude**

Social psychologist defined attitude as an emotionalized predisposition to respond positively or negatively to an object. Predisposition can be thought of as categories of meaning stored in the memory of a person and are based on previous experience. Pre disposing the person to have in specific manner towards a certain objects in the environment.

### **Brand**

A brand is a name, term, symbol, design or a combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

### **Consumer Behavior**

The term consumer behavior can be defined, as, 'the behavior that the consumer display in searching for, purchasing, using and evaluating products, services and ideas, which they expect, will satisfy their needs'. The study of consumer behavior enables marketers to understand and predict consumer behavior in the market place; it also promotes understanding of the role that consumption plays in the lives of individuals.

### **Research Method**

We have utilized SPSS for finding Frequencies and for doing further analysis. Some of the cross tabulation viz. Gender versus Types of Two Wheeler and Gender versus Brand of Two Wheeler have been found. A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data.

Present study is an analytical and descriptive in nature. The data was collected from primary sources. The primary source of data is respondents concerned and collected by using a predefined questionnaire. The target population is the youngster in and around Landran area in Punjab. **The population being large, the survey was carried among 150 respondents; all of them are the Bike/Scooter users.**

**The sampling procedure followed in this study is non-probability convenient sampling. Simple random sampling procedures are used to select the respondent. The research work is carried out on the basis of structured questionnaire. The study is restricted to the youngsters . We have used Primary Data. A questionnaire schedule was prepared and the primary data was collected through survey method.** General discussion so made at the time of filling up of questionnaire.

The study helps in having an awareness of customer perception towards Two Wheelers. As the products had a good reputation in the market, this study will help us to know the increasing trend of two wheelers in youngsters. It also helps us to increase our practical knowledge towards marketing of a company. The analysis of data collection is completed and presented systematically with the use of SPSS, MS-Excel and MS-Word.

### **Findings**

All the respondents were aware about the Two wheelers.

Most of the Male respondents like Bajaj Brand for bikes and Honda brand is famous in Scooters for Female.

Majority of the respondents prefer Style and Colour most while choosing Two Wheeler and the least Priority is given to Service Centre and pollution free attributes while choosing a Two Wheeler.

Most of the respondents prefer Mileage as their second priority, Outlook of the Two Wheeler as their third priority. Ease of Availability and Self start attributes are also preferred the most.

Some of the Male students are shifting towards Scooters because of various reasons like Style and Color, Mileage, Ease of Availability and Luggage space etc.

After the demerger, Bajaj is coming up very fast. The market of Bajaj is continuously making a rise to the success.

28% of respondents get influenced about the Two wheelers through Television, 24.67% of respondents were through friends, 17.33% of respondents are through dealers, 18% are through newspaper and 12% are through internet.

### **Conclusion**

A study was useful in understanding the Respondents preference while choosing the Bike or Scooter. The latest trend in two wheelers among the students is studied. The preference of students while choosing the two wheelers on the basis of different attributes is studied. The Study was useful to study the Market Share of the Scooters. The favourite Brands among Male and Female for both scooter and Bike are studied. The study was more useful to know about which is more popular, Scooter or Bike. The most appealing attribute which is a major factor for purchase of bikes or scooters is found.

### **Suggestions**

The most important media for consumer durables is Television. So, they should go for television advertisements rather going for newspaper, the television advertisements influences number of

people. They should incur more expenditure on electronic media and digital marketing. New safety features should be added to the Two Wheelers according to the needs of the customer to stay afloat in a fierce competitive market.. Company should provide attractive incentives to the dealers for promoting the products and increase the network of after sales services to “delight” the customers. Some of the Companies like Bajaj and Honda Moto are raising the ante in the field of aggressive advertizing. They should provide quality training to their technicians for carrying out cost effective maintenance, and migrate towards providing services at home to the needy customers, which is catching up fast in current urban scenario.

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