

BUYER BEHAVIOR - A STUDY IN TWO-WHEELER MARKET

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Abstract

The changing face of Indian consumers is determined by the possession of durables and replacing them at time interval. The buyer behavior changes according to changing needs and want to have latest brand in the market. The study aims to identify the factors influencing buyer behavior towards two-wheeler market.

Key words: Buyer behavior, two-wheeler, Performance, Satisfaction

Introduction

A two-wheeler is part of Indian family which replaced bicycle over a period of two decades. Two-wheeler can be classified into different categories based upon the segment to which it can be marketed in accordance with power and style. The two-wheeler provides a convenient mode of personal transportation with eminent look, comfort and flexible in operation.

The factors responsible for the strong demand for two-wheelers include rise in standard of living, changing government policies, extension of cities and so on. The primary factors considered by the buyers of two-wheeler are its power, performance, and cost of maintenance. Apart from this, dealers make efforts to influence the prospective buyers of two wheelers and their preference in terms of model and mode of purchase.

The Study Objectives are

1. To identify the features influencing the preference pattern.
2. To find out the discriminating factors among the two wheelers, and trends in the two-wheeler market.
3. To study the relationship between the expected performance of the two-wheeler with the actual.

In this study, two-wheelers are classified into three major categories namely, bikes, scooters and mopeds.

Research Methodology

The study analyses the market preference pattern for two-wheelers and brand to be purchased. The respondents for the study were selected from Madurai district, Tamilnadu, by following simple random sampling method. After stratification of the respondents into moped users, bike users and scooter users, a sample of 156 respondents was chosen as representing 56 bike user, 50 scooter user, and 50 moped users. Appropriate tools like factor analysis, discriminate analysis and chi square analysis are followed to realize the stated objectives.

Factors Influencing the Preference Pattern

The factor analysis summarizes the variables relating to two-wheeler features into four major categories: Convenience and reliability (smooth ride, convenience reliability, handling case), accessories (lighting system, brake, technology, balance) pick up and style (acceleration, riding comfort, look and style), and fuel economy and starting of the vehicle (Table - 1).

Table1: Features of Two-Wheelers and their Factor Loading

Variable	Factor 1	Factor 2	Factor 3	Factor 4
Look & Style	0.30924	0.27222	0.55843	0.29103
Riding Comfort	0.30400	0.08119	0.72910	-0.00863
Ease of handling	0.48461	0.43975	0.29117	0.11240
Good balance	0.40046	0.49599	0.34563	-0.29269
Smooth ride	0.71948	0.15339	0.13616	0.32608
Pick up	-0.17192	-0.08983	0.72941	0.03003
Fuel Economy	0.08565	0.05336	0.07819	0.88502
Reliability	0.66108	-0.05502	0.19799	0.03894
Convenience	0.68889	0.14318	-0.15374	-0.04264
Brake	0.38670	0.58128	0.07493	-0.12123
Lighting	-0.18294	0.83548	-0.04632	0.12488
Technology	0.21262	0.52326	-0.02028	0.37998
Ignition /starting	0.15410	0.09714	0.12655	-0.00483
Eigen value	3.62025	1.35523	1.22417	1.09208

The variable other than two-wheeler features which make the buyers to take a decision to buy a brand is grouped into image and reputation (image of the two-wheeler, manufacturer's reputation, self decision), resale value and reference group (resale value, influence of peer group, color), and price of the two wheeler and parking convenience (Table - 2).

Table 2: Factors Other than Two-Wheeler Features and their Factor Loading

Variable	Factor 1	Factor 2	Factor 3
Status of buyer	0.16385	0.19423	0.72590
Schemes to buy	0.01296	0.73786	-0.22846
Color	0.13546	0.52929	0.29155
Price	0.07320	-0.05607	0.79868
Own decision	-0.52514	0.49226	0.33804
Reference group	0.41084	0.63056	0.24062
Manufacture's reputation	0.73532	0.19753	0.10237
Post sales service	0.76788	0.08752	0.20842
Eigen value	2.32277	1.28812	1.09490

Discriminating Factor among the Two-Wheeler Categories

The starting of two-wheeler is the major attribute for preference of scooter than moped followed by the attribute of good balance (Table -3).

Table 3: Final Discriminating Variables - Scooter / Bike Buyers

Variables	Description	Co-efficient
X ₁	Reference group	0.84420
X ₂	Good pickup	0.56283
X ₃	Technology	0.31636
X ₄	Resale value	-0.57744
X ₅	Post sales service	-0.76751

$$Z = 0.84420X_1 + 0.56283X_2 + 0.31636X_3 + -0.57744X_4 + -0.76751X_5$$

The higher the co-efficient value, the larger the association of each factor to the preference for scooter than bike. The variable preference for member group is the major cause for the preference of scooter than bike followed by good pick up (Table - 4).

Table 4: Final Discriminating Variables-Scooter / Moped Buyers

Variables	Description	Co-efficient
X ₁	Starting of the vehicle	0.47610
X ₂	Balance	0.44763
X ₃	Look and style	0.42002
X ₄	Manufacturer's reputation	0.37910
X ₅	Locking system	0.37341
X ₆	Lighting	0.36296
X ₇	Brake	-0.48427
X ₈	Parking advantage	-0.69137
X ₉	Image of the vehicle	-0.93092

$$Z = 0.47610X_1 + 0.44763X_2 + 0.42002X_3 + 0.37910X_4 + 0.37341X_5 + 0.36296X_6 + -0.48427X_7 + -0.69137X_8 + -0.93092X_9$$

The analysis reveals that manufacturers who wish to discriminate their brand from competitor brands have to concentrate of features such as starting of the vehicle, balance of the vehicle, member group attraction (look and style), and pick up.

Performance Expectations and Actual

The Chi-square analysis reveals that there is relationship between expected performance and actual performance with regard to bike and scooter owners, whereas there is no relationship between expected performances and actual in the case of moped owners (Table -5).

Table 5: Chi-Square Test

Null Hypothesis	Chi-square value (Calculated)	Chi-square value (table)	Result
There is no relationship between expected Performance and actual Performance (Bike)	54.79	26.296	Reject
There is no relationship between expected Performance and actual Performance (Scooter)	34.59	26.296	Reject
There is no relationship between expected Performance and actual Performance (Moped)	15.502	26.296	Accept

Table 6: Best Seller in the Market

Manufacturers	Sex	Age (in Years)	Occupation	Monthly income (in Rs)
Hero	Male	20 and above	Executive, Students	15000 and above
TVS	Male	20 and above	Businessman, office goers, students	15000 and above
Bajaj	Male	20 and above	Businessman, office goers, students	10000 and above
TVS	Female	18 and above	Office goers, students, house wife's	10000 and above
Honda	Male/Female	18 and above	office goers, students, house wife's, businessman	20000 and above

The bestselling brand in the market is from TVS followed by Hero, Bajaj, and Honda. TVS offers brands in Bike, Scooter, and Moped categories. Hero offers brands for Bike and Scooter segment. Honda focuses on Scooter Segment and Bike Segment. According to the company dealer's view, the best selling two-wheeler in Madurai district is TVS, followed by Hero and Bajaj.

Conclusion

Power and style of the two-wheeler decides about the market share for manufacturers. The future market will be in favour of two-wheelers with additional features for pollution control and environment friendly. Comfort in handling and additional power to increase the thrill in riding the vehicle also contributes for customer satisfaction. There is scope for power vehicles of any type with handling comfort and style.

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