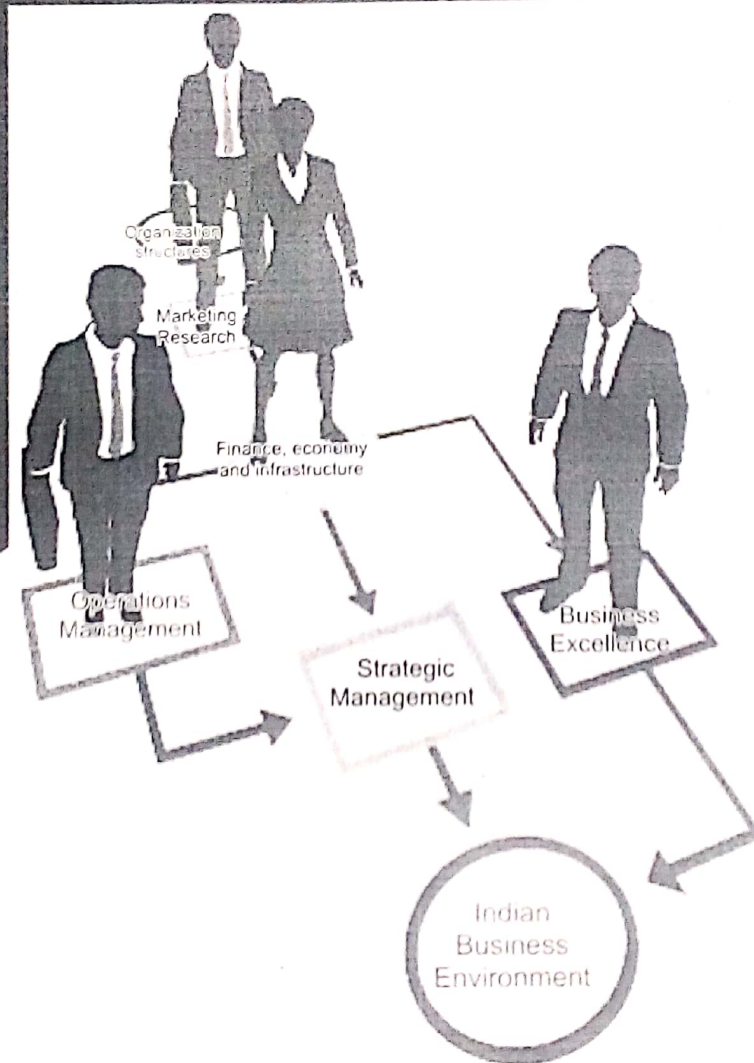


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# Emerging Trends & Practices in Indian Business Environment 2013-14



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## A Study of factors those affect customer's preference for motorcycle in and around Pune region

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### Abstract

In today's economy of any company wishes to survive then it must has to understand its strong points and weak points. For this there must be surveys to be conducted to understand the perception of customers, and what customers' current satisfaction level is. In India there are few players in the motorcycle industry who we can say lead the industry. But no one among them is clear leader in terms of market share. After liberalization and globalization many foreign players entered this industry. This resulted in better design, performance of bikes. This in turn caused shift of preference from scooters to bikes. Today girls also want to ride powerful bikes, not only in metros but in semi urban areas also. From this scenario it can be said that this industry has lot of sales potentials.

This research is undertaken basically to understand what the factors are, which are considered by the consumers while buying a motorcycle. For this 100 respondents from Pune region were given the questionnaire to give the information. Based on this information it has concluded that the fuel efficiency is the prime factor considered while making buying decision. Apart from this there are some other factors as well which influence buying decision significantly.

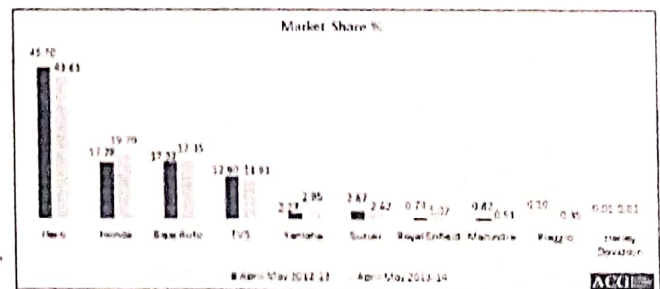
**Keywords:** Customer's Preference, Buying Decision, Fuel efficiency Pune region

### Introduction

In the present marketing scenario, competition plays a vital role. There is a

need for improvements of new products to face various challenges in the world market. Because of this, companies are working on innovative ideas to bring improvements in their product design, efficiency, look and better workability and so on. Now-a-days, motor vehicles have become the middle class people's comfortable mode of transport. B.S.V. Ramrao (2009).

In India automobile possesses so many players that the industry has become very competitive. There is no clear leader in this industry. Every big player wishes to hold large market share.



Source:- ACG Autobei Consulting Group

So it has become very essential from the company's point of view to understand factors those affect buying decision of customers for durable products. So that strategies can be formed to gain consumer's preference for their products.

Observation of consumer preference is very important for any kind of manufacturer

for making further improvements in their products. In this research study, factors which affect the buying decision of customers for motorcycle are observed.

### Literature Review

B. S. V. Ramrao (2009) points out that in the present marketing scenario, competition plays a vital role. There is a need for improvements of new products to face various challenges in the world market. Because of this, companies are working on innovative ideas to bring improvements in their product design, efficiency, look and better workability and so on. Observation of consumer behavior is very important for any kind of manufacturer for making further improvements in their products. Economic and market analyses attempt to identify and describe the factors which influence market activities so that more useful predictions can be made about future trends. Since firms prosper by serving their customers' needs while earning profits for themselves, some understanding of the behavior of customers during various stages of buying appears to be a prerequisite for successful trading operations. In supplying goods and services to their customers, companies and other organizations seek to satisfy, not only economic needs, but also those arising from social and other motivations. To achieve this task satisfactorily, a deeper knowledge and appreciation of customer behavior is needed. Firm should, therefore, construct profiles of their customers, which include a comprehensive analysis of the buying situation. This systematic approach should be based on the data from marketing research, together with first-hand knowledge of customer behavior gained over several years.

According to Lopamudra Ghosh and Samta Jain (2009) consumer is more than a king and is ruling innovation, invention and 'imagineering' of plethora of goods and services present in the market. Companies are investing hard on getting into the minds of customers.

D. P. S. Varma and Sheetal Kapoor (2003) also point out that knowledge about buyer behaviour is necessary for the development of effective marketing strategies. Members in a family influence the decision-making process in the purchase of different products, especially high-value items, such as consumer durables that are used by several members in the family. Therefore, the real target for the marketer is not an individual member but the family as a whole. A traditional family in India is different from a Western family in that the 'empty nest' stage of the family life cycle is not very common<sup>2</sup>. A large number of Indian families still have three generations staying together. The decision-making process for the purchase of consumer durables is quite elaborate, as many members with their diverse views are involved in it. At the same time, the characteristics of Indian families are changing under the influence of external factors such as liberalisation and media explosion.

### Objectives of the Study

- i. To find out factors those have effect on consumers' preferences for Particular company's product.
- ii. To find out consumers' perceptions towards brands they possess.
- iii. To study satisfaction level among the motorcycle users.
- iv. To give suggestions to small companies

to improve their market share.

**Scope of the Study**

The study will be carried out in and around Pune city. Information is collected through people who possess a bike. Factors those affect preference for bike by the customer are studied and analysed.

**Research Methodology:**

**Research Design:**

To complete this research descriptive research study is used.

**Sampling Design:**

Sampling technique used is non-probability random sampling.

Universe:- All respondents in Pune region

Sample size:- 100 samples are studied.

Sampling unit:- one ( one questionnaire given to one respondent)

**Sources and Methods of Data Collection**

**Primary data:-**

A structured questionnaire is used for collecting necessary information from respondents.

**Secondary data:-**

Secondary data is collected form journals, books, websites.

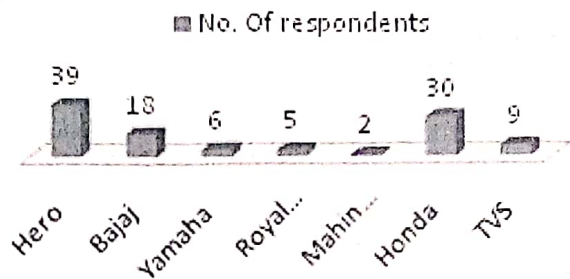
**Methods of Analysis and Statistical Tools:-**

Graphical presentation and tabulation of information collected.

**Data analysis**

1. Respondents were asked to tell the brand they are using.

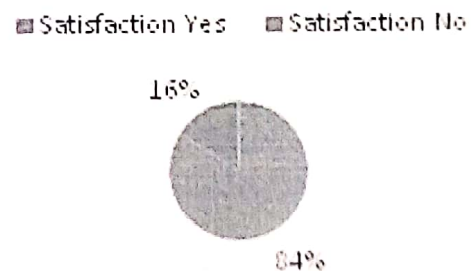
**Major brands**



39% per cent of respondents own Hero bike followed by Honda 30% among all respondents.

2. Respondents satisfaction about their bikes was studied-

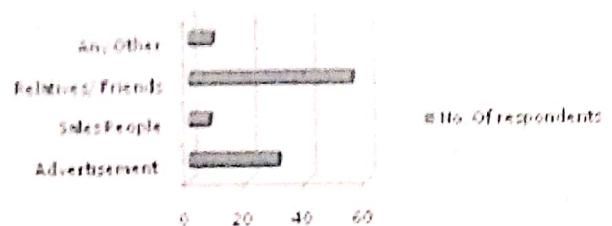
**Post purchase Satisfaction**



84% of respondents reported that they are satisfied with their bikes.

3. Sources of information customer seek -

**Source of Information**



Relatives and friends are the major source of information while buying the bike for most of the respondents.

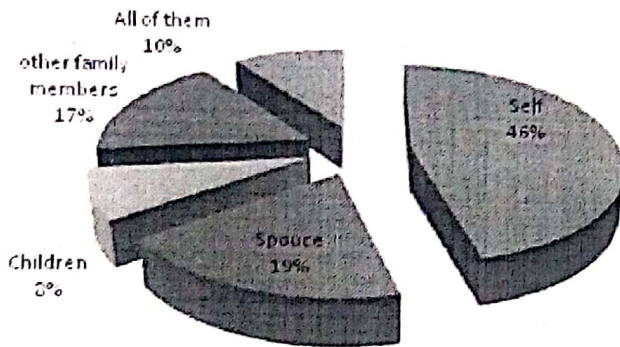
4. Why do customers buy a particular bike?

Reasons For Buying						
	V	IV	III	II	I	Total
Comfort and convenience	54	10	14	16	6	100
status symbol	12	10	36	38	4	100
Loan Facility	2	8	5	20	65	100
For availing petrol allowances	13	10	29	18	30	100
Popularity of bike	20	47	15	14	4	100

Comfort and convenience, Popularity of brand proved to be major reasons for buying whereas Loan facility is major reason of buying for only few respondents.

5. Who influences the buying decision?

**Influence on purchase decision**



46% respondents say that they own their decision of buying the bike.

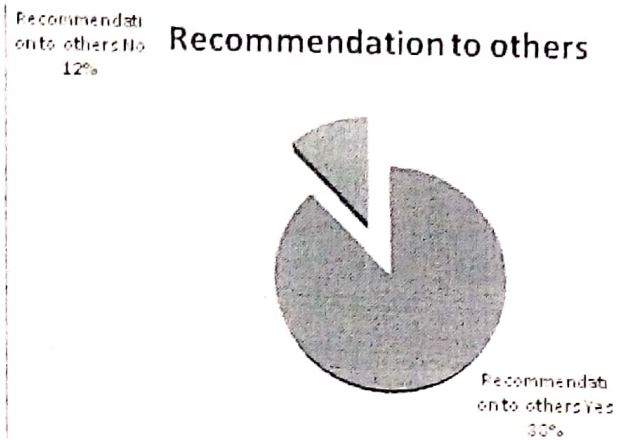
6. Factors which are checked before buying.

Factors considered while buying the bike								
	VII	VI	V	IV	III	II	I	Total
Price	13	25	14	16	17	8	7	100
Safety	15	12	30	18	10	8	7	100
Cubic Capacity	14	30	20	10	6	8	12	100
Brand Name	34	8	13	18	10	9	8	100

Fuel Efficiency	39	21	23	5	4	3	5	100
Warranty Terms	6	3	11	10	6	21	43	100
Features	13	7	1	40	10	23	6	100

This table shows that fuel efficiency is the major factor influencing the bike buying decision.

7. Are you going to recommend to others?



88% respondents said that they would recommend the bike they were using to others.

**Findings**

1. Among all respondents most of the customers own Hero Motocop Bikes.
2. Only 18 per cent of the respondents are not satisfied with their bike. The reasons behind dissatisfaction were observed to be dissatisfactory post purchase service and non availability of spares.
3. Relatives and friends are the best source of information to get the required information about a bike. This means word of mouth plays vital role.
4. Comfort and convenience is the prime reason for buying the bike. Popularity

of brand comes next to comfort and convenience.

5. Most of the respondent reported that they own their buying decision. But in case of female respondents it was observed that spouse and other family member have influence on buying decision.
6. Fuel efficiency is important aspect which is being considered by most of the respondents. But some customers bought particular bike to represent their status symbol.
7. Most of the respondents said that they would recommend their bike's brand to their friends and relatives.

### Suggestions

1. Most of the respondents who own hero bike reported that they bought the bike because of its popularity. In they mentioned that because of popularity and fuel efficiency resale value of the bike is more compared to other bikes. So other companies should implement new strategies to increase re sale value of their bikes. One way may be to organize exchange programmes wherein old customers are given some extra benefits if they exchange their bike for new model.
2. Companies should give quality post purchase service to their customers so as to satisfy them completely. No. of service station may be increased for this purpose.
3. Companies may spend more on improving fuel efficiency of the bike.
4. While forming strategies for campaigning and promotions companies should focus on the family leader as they are the opinion makers.

5. Satisfied customer will be the loyal customer and will recommend the bike they are using to others. So satisfied customers will be assets for the companies. Hence existing customers must not be overlooked.

### Conclusion

Customers are aware of many popular brands, but before making purchase they evaluate many aspects. For most of bike users fuel efficiency factor is important as the prices of petrol are booming. Every brand in customers' perception represents certain quality, utility and the like. Popularity and resale value of the bike are also important parameters of evaluation.

### Limitations of the Study

- Some respondent did no fill the questionnaire completely.
- Extend to which respondent shown commitment in filling up questionnaire was also a point of doubt.
- Some respondents while giving information were in hurry so answers given by them may not be perfect.
- Sample size may be small to conclude.
- Research is carried out only in Pune region. So area constraint is there.
- Study was conducted from March 2013 to May 2013 so it do includes the latest trends in the market.

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