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A study on consumer perception towards two-wheeler industry among different brands with special reference to Chennai City

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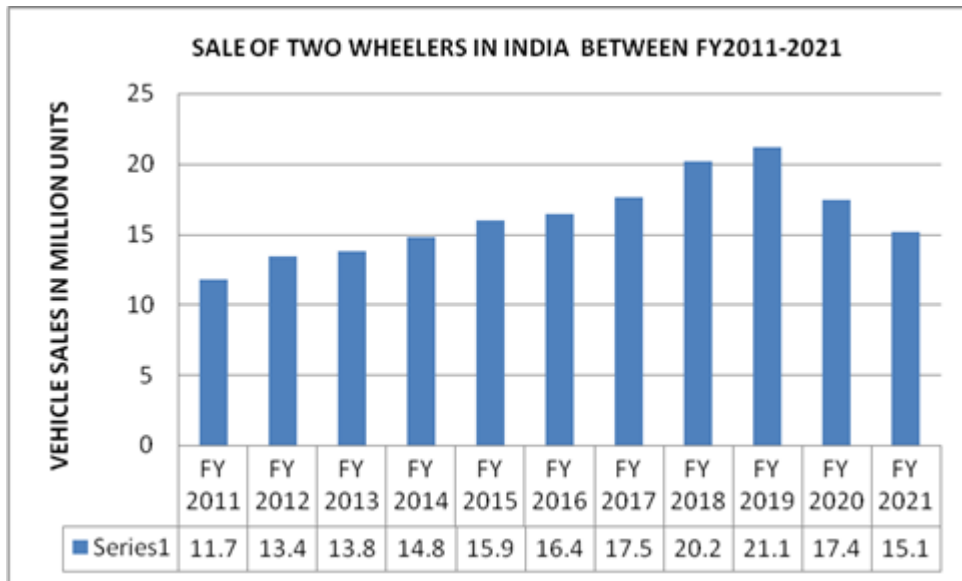
Abstract---India is the largest manufacturers of two wheelers in the world. Two wheeler Industry constitutes more than 80% of the total automotive manufacturing in India. Two wheelers are preferred choice of transport due to various perception of the users like time saving, less fuel consumption, parking issues etc. Since Customer's perception towards Two wheelers contributes major reason for its sales, a study is conducted with the Primary objective of finding the customer perception towards two-wheeler Industry among different brands manufactured by Hero motor corp, Honda motorcycles and scooters, TVS, Bajaj Auto, Royal Enfield, Yamaha and Suzuki. The study is conducted among the customers in Chennai region and 200 samples were chosen to conduct the survey. Various tools like weighted average, Chi square and Multiple Regression were used to analyse the data collected among the customers.

Keywords---customer perception, two wheeler industry, brands.

Introduction

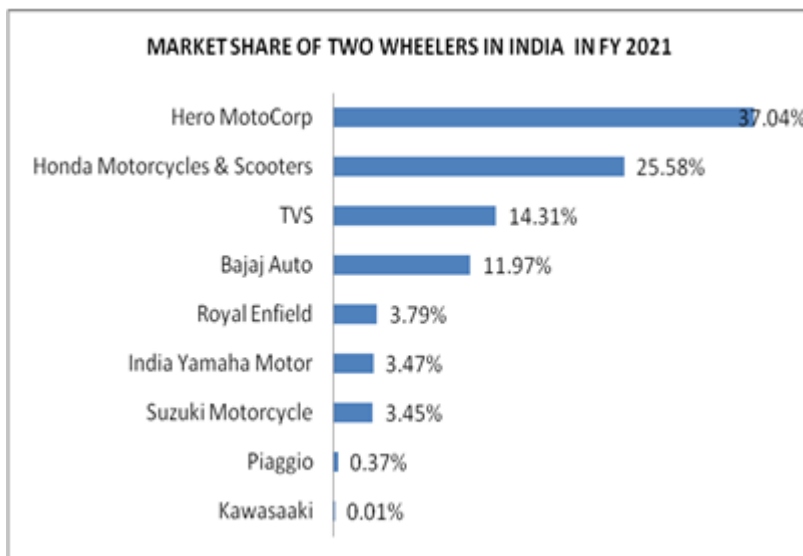
Two-wheeler vehicles constitute the major portion of vehicles production in India followed by the passenger vehicles. Scooters, Motorcycles and mopeds are the three main categories in two wheeler segment. Apart from the Indian Manufacturers, Japanese companies do contribute for the production of two wheelers in India. They have joined hands with Indian companies and had considerable contribution in the Two wheeler segment in India. There is a drop in sale of two wheeler production in 2021 compared to the previous year. The dip is from 17.42 million units to 15.12 million units. The growth of electric vehicle is a great challenge to the two wheeler producers in India. Majority of the leading

Automobile manufacturers have already been into the production of Electric Vehicles. The Government is supporting Companies by providing financial incentives for the same, since it is goal of the government to electrify most of the two wheelers in India. The Process of Electrification is delayed due to the pandemic situation.¹



Source: SIAM,India, April 2021

The Following figure shows the market share of different companies in FY 2021. Hero motocorp being the market leader holding 37.04% and market challenger being the Honda Motorcycles & scooters with 25.58%.



Source: SIAM,India, April 2021

Customer Perception

In the words of F.G. Crane and T.K. Klarke Customer perception is a “Process during which an individual acquires knowledge about the environment and interprets the information according to his/her needs, requirements and attitudes.”³ Customer perception is a marketing concept which studies about the impression, opinion, awareness or consciousness about a product, a service, a brand or a company. The main attributes for which the customer gives preference to in an automobile are mileage, the comfortness, the colour, the size, the space capacity.⁴ Perception of the customers are the foremost factor deciding the success of any product since the biggest promotion mix constitutes publicity.

Review of Literature

Doaa Abd El Samea & Ahmed Rashed (2021) in their study had considered four dimensions of CSR namely economic, legal, ethical and philanthropic and its impact on purchase intentions of the customers. The study stated that the perception on corporate social responsibility is misunderstood by most of the customers and so the four dimensions were included in the study and had concluded that there were direct impact of ethical and economic responsibility on purchase intention of the customers and direct effect was found on ethical and philanthropic responsibilities on service quality.⁵

Sarthak Das(2020) in his article stated that the factors which created resistance to buy two wheelers are Perception of higher price, Lack of knowledge on benefits attached with extra price, perception of lack of infrastructure, unproven performance, and lack of awareness of brands. The author also had stated that electric vehicles being need of the hour, many customers lacked awareness on it and there is no positive perception about it and had suggested that public events and awareness programs are much needed to be successful in the market.⁶

Fredrick Ahenkora Boamah(2020) summarized that the companies need to focus on the factors which dissatisfies the customer and analysis of the gap between the customer perception and expectations is an essential one. Emphasis on these two would satisfy the customer.⁷ Jameel Ahmad Tak & Anudeep Rawal (2020) stated in their study that in automobile sector customer’s preferences and perception is built based on the factors mileage, comfortness, the brand quality, body strength, etc. Increased disposable income and purchasing power had led to the increase in sale of automobiles. This study had also found out the brand preferences of the customers based on the manufacturer and the fuel used.⁸

Nainesh Patel & Prinsa Patel(2020) in their study on customer perception TATA Nexon cars summarized that features, mileage, price, good design, and after sales service are the factors contributing for the customer’s preference over this car. The factors considered for the study included price, colour, information provided by the sales executives, test drive, performance and appearance. The above factors have strong influence on the perception and preference of the customers towards a brand.⁹ Lawrence Mpele Lekhanya & Henry Lucky Dlamini (2017) had examined customer’s perception towards product quality of automotive SMEs

operating in metropolitan areas. It is found that majority of the respondents strongly agree that their perception on products solves dissatisfaction of the customers and perception puts more pressure on competitors.¹⁰

Importance of the study

The modern marketing concept emphasis consumer orientation in which perception of consumer towards the product is important to formulate Marketing mix. This study provides a direction for the two wheeler industry especially during the pandemic situation about the factors influencing the purchase decision of the consumer.

objectives of the study

1. To study the customer perception among the customers for the major two wheeler brands in Chennai.
2. To determine the factors influencing the choice of customers regarding motorcycles.
3. To understand the awareness level and perception on electric two wheeler among the respondents

Research Methodology

The research is carried out primarily with Primary data and secondary data is used to understand the two wheeler market. Data is collected among 220 respondents in Chennai out of which 200 samples are taken for the study due to their validity. The convenient sampling method is used through pre tested questionnaire. Weighted average analysis, Chi-square, Anova and Multiple Regression are employed through SPSS method.

Results and Discussion

The major bike sold in Chennai during 2021 is Hero, Honda, Bajaj, TVS, Suzuki, Yamaha and Royal Enfield hence taken for the study to understand the customer perception about the two wheeler in Chennai city. The following is the Profile of the respondents for the study.

Table 1: Demographic Profile of the Respondents

Demographics	Particulars	Frequency	%
Gender	Male	124	62
	Female	76	38
			100
Age	<19	22	11
	20-29	84	42
	30-39	65	32.5
	>=40	29	14.5

		200	100
Occupation	Student	72	36
	Employee	62	30
	Business	52	27
	Professional	14	7
		200	100
Salary	<25000	109	54.5
	25001-35001	52	26
	35001-45000	32	16
	>45000	7	3.5
		200	100

53% of the respondents are around or below the age of 30 and more than 50% with graduation background whose earning is less than Rs.25000per month and most of them purchase with loan. 90% of the women prefer Scooter due to convenience and 85% of men prefer bikes for its style and performance.It is also found that the attitude towards purchasing 2 wheeler during pandemic is different among gender and age factor.

Customer perception and preference for two wheeler

Based on the survey, it is understood that the most of the respondents prefer stylish bikes which is around 61% , followed by scooter with 26% and mopeds with 13%.The reason for their reason being Performance, Fuel efficiency and exchange value. The below table shows the Top 10 , 2 wheeler brands which was sold in 2020 and 2021 and due to pandemic situation automobile sector had a heavy slow down and it is picking up in 2021-2022.This study would give insight to the 2 wheeler industry about the customer perception post COVID 19 and their preference factor.

No	Top 10 2Wheeler	Nov-21	Nov-20	Diff	Growth % YoY	% Share Nov 21
1	Splendor	1,92,490	2,48,398	-55,908	-22.51	25.44
2	Activa	1,24,082	2,25,822	-1,01,740	-45.05	16.40
3	CB Shine	83,622	94,413	-10,791	-11.43	11.05
4	HF Deluxe	76,149	1,79,426	-1,03,277	-57.56	10.06
5	Pulsar	61,913	1,04,904	-42,991	-40.98	8.18
6	Platina	60,646	41,572	19,074	45.88	8.01
7	Jupiter	44,139	62,626	-18,487	-29.52	5.83
8	XL100	42,558	70,750	-28,192	-39.85	5.62
9	Access	42,481	45,582	-3,101	-6.80	5.61
10	Apache	28,608	41,557	-12,949	-31.16	3.78
-	Total	7,56,688	11,15,050	-3,58,362	-32.14	100.00

Top performing Two Wheelers Nov 2021 vs Nov 2020

Table 2: Consumer Perception and Demographic Factors

Particulars	t-Value/ F-Value	Sig
Gender and Factors Influencing 2 wheeler Purchasing Behaviour	16.935** t-value	.000
Age factor and Consumer Perception about 2 wheeler	24.172**	.000
Education and Factors Influencing Consumer Purchasing Behaviour	21.824**	.000
Income and Factors Influencing Consumer Purchasing Behaviour of 2 wheeler consumer	22.456**	.000

** Significant at one per cent level

The t-values and F-values are significant at one per cent level indicating that significant difference is there between factors influencing consumer purchasing behaviour of two Wheeler and profile of consumers.

Influencing perception of product features on 2 wheeler purchase decision

Using ranking method factors influencing consumer perception about the brand is determined. The above table indicate that Price, Mileage and Credit facility are the important factors while making the 2 wheeler purchase decision. Other important factors to consider are Engine performance followed by Brand and safety provisions in the vehicle.

Table 3: Rank wise Influencing factors for 2 Wheeler Purchase

Ranking	1	2	3	4	5	6	7	8	Total
Criteria for choosing a brand									
Brand			60	60	40		40		200
Price	40	60	20	20		20		40	200
Mileage	80	60	20		20	20			200
Engine Performance/Model	20	40		20	60	40	20		200
Service	20			40	40	40	20	40	200
Safety		20	40	20		80	40		200
Resale Value			40		40		40	80	100
Loan /Credit	40	20	20	40			40	40	100
Total	100	100	100	100	100	100	100	100	

Impact of factors influencing two wheeler purchasing behaviour

To evaluate the impact of factors influencing consumer purchasing behaviour on satisfaction towards two Wheeler the multiple regression was used and the results are shown in Table-4. The coefficient of multiple determination (R^2) is 0.56 and adjusted R^2 is 0.54 exhibiting the regression model is good fit. It is

obvious that 54.00 per cent of the variation in dependent variable is shared by the independent variables. The F-value of 22.16 is significant at one per cent level validating the model is significant.

The below table shows that Price, Mileage , and Loan Facility has high impact in assuming positive consumer perception followed by Credit facility arranged by dealers, Engine Performance and Brand loyalty. These factors have have positive and significant impact on satisfaction of consumers towards 2 Wheeler purchase at one per cent level. The least preference being the service and the resale value of the 2 wheeler.

Table 4: Impact of Factors Influencing Consumer Purchasing Behaviour for 2 Wheeler in Chennai

Factors Influencing Consumer Purchasing Behaviour	Regression Coefficients	t-value or F-value	Significance level
Intercept	1.012**	10.811	0.00
Brand (X1)	.301**	6.402	0.00
Price (X2)	.436**	8.042	0.00
Mileage (X3)	.413**	7.735	0.00
Engine Performance (X4)	.357**	6.876	0.00
Service(X5)	.312**	5.814	0.00
Safety(X6)	.322**	6.604	0.00
Resale Value(X7)	.305.	5.542	0.00
Loan / Credit Facility(X8)	.384**	7.14	0.00
R2	0.56		
Adjusted R2	0.54		
F	22.16		0

Brand preference to purchase two wheeler among consumers

Many factors determine positive customer perception towards product such as Value for money or right price, Mileage, Engine performance , support services like credit facility etc., The brand which has all these factors would gain Brand preference in the purchase decision. The below table shows the rank of the consumer preference while purchasing 2 wheeler in chennai city.

Table 5: Rank wise Brand preference for Two wheeler

Criteria for choosing a brand	R1	R2	R3	R4	R5	R6	R7	Total
Hero	60	40	63	24	7	4	2	200
Honda	50	40	35	35	20	17	3	200
TVS	40	40	40	30	30	15	5	200
Bajaj	20	20	20	20	50	50	20	200

Suzuki	15	30	20	20	50	35	30	200
Yamaha	10	15	10	40	25	50	50	200
Royal Enfield	5	15	12	31	18	29	90	200
Total	200	200	200	200	200	200	200	

The brand preference for Hero Motorcorp , Honda ,TVS and Bajaj is high in the order mentioned which is followed by Suzuki, Yamaha and Royal enfield during September 2021- Jan ,2022. With the advancement of technology and government push to eco friendly bikes, electric 2 wheeler has a great scope to play in 2 wheeler industry in India.

Consumer perception on electric two wheeler

The awareness level on the factors and benefits of electric two wheeler among the respondents is 52% out of which male respondents accounts for 74% . The awareness level on the availability of brands in electric two wheelers is 42% out of which male respondents have majority awareness level. There are only few consumers who prefer to purchase electric 2 wheeler and the reason about their perception for their less preference are below:

Table 6 Consumer Perception about electric two wheeler

S.No	Perception	% of Respondents
1	High Price	27
2	No extra value for extra cost	28
3	Lack of infrastructure for charging	19
4	Lack of awareness	26

Consumer perception about high price , Inadequate understanding about extra value derived, Infrastructure available and support and less awareness about the concept and brand available are the reasons for less preference for electric two wheeler.

Conclusion

Automobile sector is under tremendous change due to technological advancement and to meet the consumers expectation. Two wheeler segment in India has greater scope due to its demographic factors, suitable climate and convenient Infrastructure. The market is competitive and 2 Wheeler brands are taking enormous effort to acquire the share in the market. Change in government policy, Climatic and environmental factors, technological advancement and pandemic situation has brought huge change in the mindset of the consumer and their perception towards the two wheeler market. This study will help the industry to understand the perception of consumers about the two wheeler segment and the factors influencing their purchase behaviour in Chennai and similar segment. The perception about the electric 2 wheeler has bought the insight to the government

and the two wheeler companies to create awareness about its benefits and features to increase the market share.

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