

Consumer Buying Behaviour Towards Two-Wheelers: A study with reference to Panipat District

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Abstract

This research paper explores the consumer buying behavior towards two-wheelers in Panipat District, India, within the context of the dynamic evolution of the country's two-wheeler industry. With the liberalization policies of 1991 acting as a catalyst, the two-wheeler sector witnessed significant expansion, turning motorcycles into not just a mode of transport but also a status symbol. Recognizing the contemporary landscape's competitive nature, the research emphasizes the need for two-wheeler manufacturers to understand consumer behaviour. The study's scope revolves around individuals using two-wheelers in Panipat District, focusing on key behavioral aspects such as information-seeking processes, brand preferences, brand loyalty, and motivational factors. The overarching goal is to aid manufacturers in tailoring their offerings to align with customer needs, fostering effective marketing programs and strategies. The research methodology involves a non-probability convenience sampling technique, with primary data collected through questionnaires from 200 customers in Panipat. The results showcase demographic distributions, brand preferences, modes of payment, and satisfaction levels among respondents. The study unveils intriguing patterns influencing factors on purchase decisions, satisfaction levels, and their association with residential locations. Notably, it concludes that brand preferences are significantly associated with residential locations, while no significant relationship exists between residential locations and factors affecting purchase decisions or satisfaction levels.

Keywords: Two-wheelers, consumer behaviour, Chi-square test, purchase decision, brand preference

INTRODUCTION

The evolution of the two-wheeler industry in India has been a fascinating journey, closely intertwined with the country's socio-economic development and shifting consumer behaviour. In the early post-independence era, with a population of approximately 36 crores, transportation needs were minimal, and public transport primarily comprised slow means like horse carts, bullock carts, and bicycles. Only the affluent class could afford private vehicles like cars, while scooters gained popularity among the higher middle class in the 1950s.

The limited availability and slow-paced nature of public transportation, coupled with poor infrastructure, posed challenges. However, as literacy levels improved, incomes rose, and the middle class expanded, the demand for efficient transportation grew. Government initiatives and economic reforms further fuelled this transformation. By the 1970s, public transport struggled to meet demand, and bicycles were the prevalent two-wheeler due to their low maintenance cost. However, they were hindered by their slow speed.

Until the early 1990s, government policies restricted the expansion of the two-wheeler industry. The purchasing process for scooters and motorcycles was cumbersome, involving long waiting periods. Private transport remained scarce due to production constraints. The liberalization policies of 1991 marked a turning point, leading to significant growth in the two-wheeler sector.

Post-liberalization, the industry witnessed a surge in models and manufacturers, making ownership more accessible. Limited public transport, coupled with the convenience, mobility, and affordability of two-wheelers, contributed to their popularity. Motorcycles emerged as a status symbol. The industry's growth was fuelled by liberalization, urbanization, and increased personal transport needs.

India became the second-largest producer of two-wheelers globally by 2005-2006, with motorcycles dominating the market. A paradigm shift occurred in the marketing approach, with value becoming a key consideration for consumers. The motorcycle segment became the main profit area, fostering intense competition and benefiting customers through reduced prices and attractive offers.

In the current scenario, understanding consumer behaviour is crucial for two-wheeler manufacturers. Increased competition, changing customer expectations, and a focus on quality and satisfaction are driving manufacturers to study consumer attitudes and behaviour. Rural areas, too, have become aware of their rights and importance as customers.

As India's population continues to grow, and with the rising disposable income of the middle class, the appeal of two-wheelers, especially motorcycles, has increased. The study of consumer behaviour has become pivotal in this dynamic and competitive industry. Companies must prioritize customer relationships, considering them as valuable assets, to thrive in the evolving market landscape.

Consumer behaviour is a dynamic field that examines how individuals make decisions regarding their consumption-related activities. People's buying choices are influenced by various factors such as perception, social environment, age, and cultural background. The study delves into understanding why, when, where, and how consumers buy, use, evaluate, and dispose of products or services. It plays a crucial role in marketing, guiding strategies related to pricing, promotion, and distribution. Consumer behaviour is a multidisciplinary field drawing from economics, psychology, sociology, anthropology, and sociopsychology. Understanding consumers aids organizations in positioning products, adapting marketing strategies, and enhancing customer satisfaction. It is a fundamental aspect of marketing, providing insights for successful planning and implementation of various programs. The study of consumer behaviour is essential for organizations aiming to thrive in today's market and cater to the diverse needs of customers across all classes.

SCOPE OF THE STUDY

The research is centred on individuals who use two-wheelers and focuses on understanding their purchasing behaviour in Panipat district. It specifically investigates key behavioural

aspects including the process of seeking and evaluating information, brand preferences, brand loyalty, and motivational factors among two-wheeler consumers. The goal of analysing customer satisfaction is to support manufacturers of two-wheelers in customizing their offerings to align with customer needs, and it also aims to develop effective marketing programs and strategies. The research is conducted to deepen our comprehension of the interactions among customer satisfaction, brand image, and information obtained from mass media at various stages of the decision-making process for two-wheeler purchases.

Objectives

1. To identify various sources of information utilized by buyers and understanding their impact on purchase decisions.
2. To Examine the buying behaviour of consumers.
3. To analyse the brand preferences of consumers.
4. To Investigate the factors affecting brand selection of two-wheeler.
5. To analyse the satisfaction level of consumers.

Literature Review

In this segment, literature pertaining to consumer behavior within the realm of marketing and its subcomponents is presented. This section encapsulates the perspectives of various researchers on consumer behavior, featuring studies in this domain. Naresh Malhotra¹ contributed an article proposing a methodology for comprehending consumer behavior and gauging consumer preferences in developing nations. The article outlines an approach tailored for measuring consumer preferences in such settings. The discussion touches upon the role of marketing research in developing countries, highlighting factors influencing the conduct of marketing research in these regions. Existing preference measurement techniques from advanced nations are briefly reviewed and deemed unsuitable for developing countries. Consequently, an alternative approach is introduced, reducing the data collection demands on respondents by employing pictorial or visual stimuli and a straightforward binary scale. The article includes an empirical investigation showcasing the proposed approach, with an assessment confirming its highly satisfactory convergent validity.

Dominic F. Wilson² asserted in a paper that consumers don't just make purchases based solely on personal perceptions and desires but also act collectively on behalf of others and are influenced by significant societal factors, including organizational influences.

Jung-Wan Lee and Simon Tai³ conducted a study investigating the perceptions of young consumers in transition economies towards multinational firms and their acculturation channels concerning Western products. The research aimed to comprehend how the younger generation in transition economies perceives Western multinational firms, identifies the factors influencing their preferences for Western products, and examines the communication channels impacting their intentions to purchase Western products and brands. The data collection involved interviews with consumer focus groups to gather qualitative insights and the development of survey questionnaires to obtain quantitative data for statistical analyses.

The study was conducted in Almaty, Kazakhstan, from September to November 2004. The findings indicated that increased exposure to Western cultures, people, and products through mass media, particularly TV, and marketing campaigns by multinational companies positively influenced the attitudes of young consumers in transition economies towards Western products, particularly global brands. However, the interpretation of product attributes varied across cultures. The researchers recommended that marketing managers should focus on communicating and promoting their brands and products as symbols of global consumer culture. Additionally, they suggested the potential use of celebrity advertisements as effective marketing communication tools, especially when targeting young consumers in transition economies.

India, the second most populous country, predominantly comprises lower and middle-income classes, making it a crucial focus for marketers. Saroja Subrahmanyam and J. Tomas Gomez-Arias⁴ conducted a study on understanding consumer behaviour at the bottom of the pyramid. This research explores what and why individuals in this demographic consume and how firms can effectively cater to their needs. Despite financial constraints, the study reveals that bottom-of-the-pyramid consumers are resourceful and motivated by not just survival but also higher-order needs, emphasizing the importance of cultural and social factors. Successful marketing strategies involve creative pricing, community mobilization, innovative designs, and leveraging cultural communication methods.

Consumer demographics significantly influence the purchasing behaviour of two-wheeled vehicles, identified as high-involvement and high-risk products. Dharmendra Kumar Tiwari's⁵ studied the demographic effects on consumer behaviour related to durable goods, considering factors such as advertising medium, motivation, initiation of purchase consideration, family influence, and final decision-making. Conducted in Haryana with 500 respondents, the study reveals that education, occupation, and family income significantly impact consumer behaviour. Television remains a popular advertising medium, while joint families, influenced by family members and friends, play a crucial role in purchase decisions. Motivational factors include brand image, personal experience, and guarantee, emphasizing the complexity of consumer choices in this context.

In India, rural consumers play a crucial role in the consumer durable industry. Parihar et al.⁶ conducted a study comparing the behavior of urban and rural consumers, focusing specifically on consumer durables. The findings revealed significant disparities between urban and rural markets in terms of both general and product-specific factors influencing purchase decisions for durables. Notably, urban and rural consumer behavior differed significantly regarding their consideration of technology, style, brand image, price, and after-sales service when making durable purchases. As a result, the study recommended that marketers of consumer durables tailor their strategies to accommodate the unique characteristics of rural consumers when operating in rural markets.

Badri Narayan G. and Pankaj Vashisht⁷ conducted a study analyzing factors affecting the competitiveness of India's automotive industry using field surveys and quantitative analysis of secondary data. The research highlighted significant growth across all segments of the Indian

automotive sector, coupled with rising productivity and export intensity. Although domestic sales are generally increasing, declines have been noted in certain vehicle sub-categories.

DPS Verma and Sheetal Kapoor⁸ found that understanding the dynamics and relationships within a family is crucial for marketers when promoting consumer durable products. This comprehension enables them to craft an effective marketing mix tailored to the family's dynamics. Marketers must strive to elicit positive responses from various family members toward their brand.

Research Methodology

For the study, non-probability type convenience sampling technique is chosen. In convenience sampling technique, the researcher chooses the sampling units as per his/her convenience. The primary data collected through questionnaire from Panipat district of Haryana. Secondary data collected through various publications, books, magazines, internet etc. A total of 200 customers were randomly selected from Panipat. Chi-square test was applied to assess relationships between variables.

Results and Discussion

The Table 1 illustrates that 61% of Respondents were from urban areas, while 39% resided in rural areas. Figure 1 depicts that among 200 participants, 37% were in the 26-35 age group, followed by 28% in the 18-25 age group, 21% in the 36-45 age group, and 14% in the age group of more than 45 years.

Table 1 Residential Location of Respondents

Sr. No.	Residential Location	No. of Respondents	%
1	Urban	122	61
2	Rural	78	39
	Total	200	100

From Figure 2, we can deduce that most of the respondents i.e. 32.5%, fell within the income range of ₹100,000 to ₹200,000. Additionally, 29% of respondents reported an income between ₹200,000 and ₹300,000, 16% had an income of less than ₹100,000, 15% belonged to the income category of more than ₹300,000 but less than ₹500,000, and 7.5% reported an income more than ₹500,000.

Table 2 depicts that 37.5% of respondents were graduates, 31.5% had completed less than 12th class, and 16% were postgraduates. Additionally, 15% had reported other education.

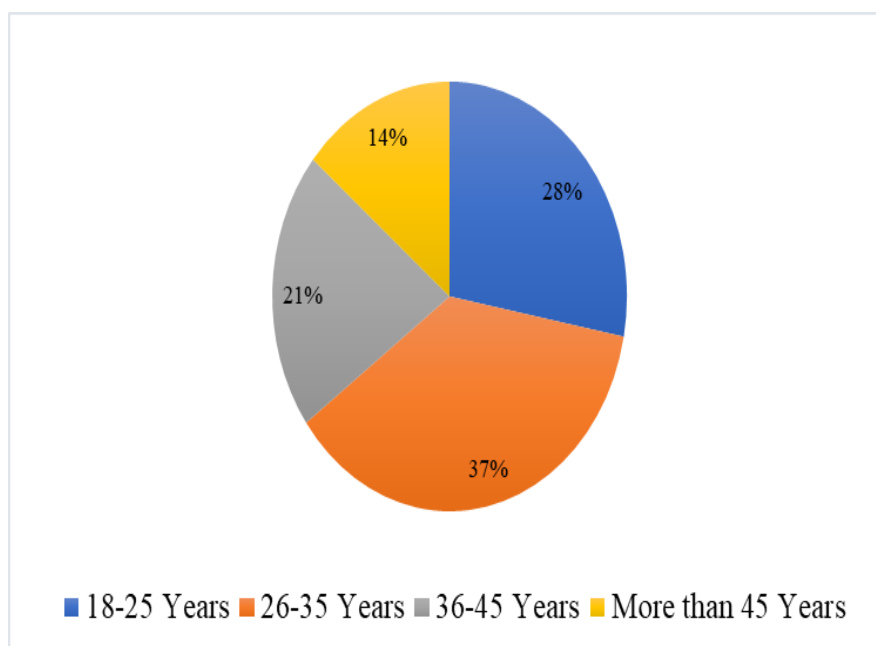


Figure 1 Age of the Respondents

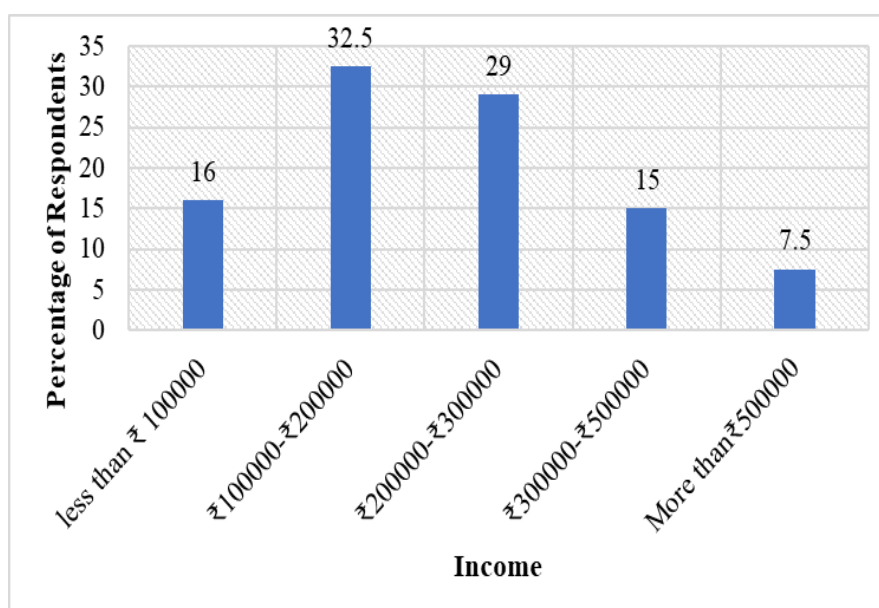
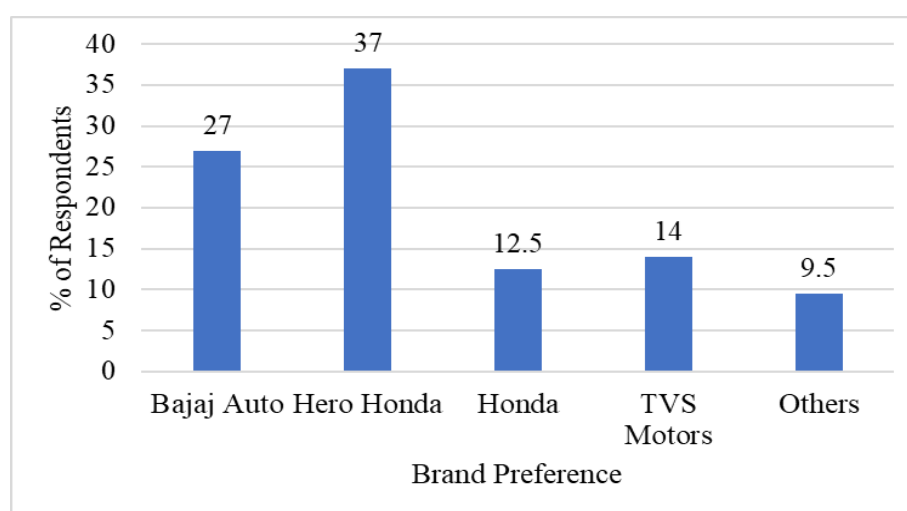


Figure 2 Annual Income of Respondents

Table 2 Education of Respondents

Sr. No.	Education	No. of Respondents	%
1	less than 12th Class	63	31.5
2	Graduate	75	37.5
3	Postgraduate	32	16
4	Others	30	15
	Total	200	100

**Figure 3 Brand Preference****Table 3 Occupation of the Respondents**

Sr. No.	Occupation	No. of Respondents	%
1	Students	48	24
2	Employee	64	32
3	Businessman	34	17
4	Self-Employed	40	20
5	Professional	14	7
	Total	200	100

Based on Figure 3, it can be inferred that 37% of respondents preferred the Hero Honda brand for two-wheelers, followed by Baja Auto at 27%. Further, 14% expressed a preference for TVS Motors, 12.5% favoured Honda, and 9.5% opted for other brands. In Table 3 the data reveals that 32% of two-wheeler consumers were employed, 24% were students, 20% were self-employed, 17% were engaged in business, and 7% identified as professionals.

Table 4 Modes of Payments of the Respondents

Sr. No.	Mode of Payments	No. of Respondents	%
1	Cash	76	38
2	Bank Loan	58	29
3	Finance /Instalments	66	33
	Total	200	100

Table 5 Brand Preference and Residential Location

Sr. No.	Location	Brand Preference					Total
		Bajaj Auto	Hero Honda	Honda	TVS Motors	Others	
1	Urban	34	32	14	12	12	122
2	Rural	20	42	11	16	7	78
	Total	54	74	25	28	19	200

Table 4 indicates that 38% of consumers bought a two-wheeler with cash, 29% purchased it through a bank loan, and another 33% made the purchase through instalment payments.

As per the data in Table 5, it is evident that in urban areas, the top choice for two-wheeler purchases was Bajaj Auto, followed by Hero Honda as the second most favoured brand among the respondents. Out of 122 urban participants, 14 expressed a preference for Honda, 12 liked TVS Motors, and 12 preferred other brands. In rural areas, Hero Honda emerged as the most popular brand, with 42 out of 78 respondents selecting it. Bajaj Auto was the choice for 20 respondents, TVS Motors for 16, Honda for 11, and other brands for 7 respondents.

Chi Square test (Table 5)

H₀: There is no significant relationship between brand preference of two-wheelers and residential location of the respondents.

H₁: There is significant relationship between brand preference of two-wheelers and residential location of the respondents.

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 14.27$$

Where, O is the observed frequency, E is the expected frequency.

Degree of Freedom = $(C-1) \times (R-1) = 4 \times 1 = 4$

R and C represents the no. of rows and columns respectively in the data table.

The table value of χ^2 at 5 % significance level with degree of freedom 4 is 9.49. The calculated value of χ^2 is greater than table value. Hence, the null hypothesis is rejected, indicating a significant association brand preference of two-wheelers and residential location of the respondents.

Table 6 Shows that 67.5% of respondents were satisfied with their two wheelers and only 32.5% were not satisfied with their two wheelers. From Table 7, it can be understood clearly that 64.75% of respondents in urban area were satisfied with their two-wheeler, while 35.25% of respondents of urban area were not satisfied with their two wheelers. 71.8% of respondents of rural area are satisfied by the performance of their two wheelers while 28.2% of respondents of rural area were not satisfied by their two wheelers.

Table 6 Satisfaction Level of the Respondents

Sr. No.	Satisfaction	No. of Respondents	%
1	Satisfied	135	67.5
2	Not Satisfied	65	32.5
	Total	200	100

Table 7 Residential Location and Satisfaction Level

Sr. No	Location	Satisfaction Level		
		Satisfied	Not Satisfied	Total
1	Urban	79 (64.75 %)	43 (35.25%)	122
2	Rural	56 (71.8%)	22 (28.2%)	78
	Total	135	65	200

Chi Square test (Table 7)

H₀: There is no significant relationship between Residential Location and Satisfaction Level of the respondents.

H₁: There is significant relationship between Residential Location and Satisfaction Level of the respondents.

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 1.075$$

Degree of Freedom = $(C-1) \times (R-1) = 1 \times 1 = 1$

The table value of χ^2 at 5 % significance level with degree of freedom 1 is 3.384. The calculated value of χ^2 is less than table value. Hence, the null hypothesis is accepted, indicating no significant association between the satisfaction level and residential location of the respondents.

The data presented in Table 8 highlights the predominant influencing factors in urban and rural areas for purchase decisions. In urban areas, friends and relatives exerted the most significant influence, affecting 36% of respondents, followed by electronic media at 27.9%. Print media and brand image influenced 12.3% and 9.8% of respondents, respectively. Exhibitions played a role in the purchase decisions of 8.2% of urban respondents, while dealers/sellers influenced 5.7%. In rural areas, friend and relatives remained the primary influencers, impacting 33.3% of respondents, followed by brand image at 25.6%. Electronic media affected 17.9% of respondents, while print media and dealers/sellers influenced 8.9% and 6.4%, respectively, in rural areas.

Table 8 Residential Location and factors affecting the Purchase Decision.

Sr. No	Location	Influencing Factors of Purchase Decision						Total
		Print Media	Electronic Media	Friends Relative	Exhibitions	Brand Image	Dealer/Seller	
1	Urban	15 (12.3%)	34 (27.9%)	44 (36%)	10 (8.2%)	12 (9.8%)	7 (5.7%)	122
2	Rural	7 (8.9%)	14 (17.9%)	26 (33.3%)	6 (7.7%)	20 (25.6%)	5 (6.4%)	78
	Total	22	48	70	16	32	12	200

Chi Square test (Table 8)

H_0 : There is no significant relationship between Residential Location and factors Affecting the purchase Decision of the respondents.

H_1 : There is significant relationship between Residential Location and factors Affecting the purchase Decision of the respondents.

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 10.718$$

Degree of Freedom = $(C-1) \times (R-1) = 5 \times 1 = 5$

The table value of χ^2 at 5 % significance level with degree of freedom 1 is 11.1. The calculated value of χ^2 is less than table value (Table 8). Hence, the null hypothesis is accepted, indicating no significant association between the residential location and factors affecting the purchase decision of the respondents.

Table 9 depicts that Hero Honda achieved a satisfaction rate of 73% among its consumers, while TVS Motors satisfied 68% of its customer base. Bajaj Auto got a satisfaction rate of 66.6%, and Honda managed to satisfy 60% of its consumers. On the other side, dissatisfaction was reported by 27% of Hero Honda's consumers, followed by TVS Motors with 32% dissatisfied customers. Bajaj Auto experienced a dissatisfaction rate of 33.4%, and Honda had 40% of its consumers expressing dissatisfaction.

Table 9 Satisfaction Level and Brands of Two Wheelers

Sr. No	Satisfaction Level	Brands Preference					Total
		Bajaj Auto	Hero Honda	Honda	TVS Motors	Others	
1	Satisfied	36 (66.6%)	54 (73%)	15 (60%)	19 (68%)	11 (58%)	135
2	Not Satisfied	18 (33.4%)	20 (27%)	10 (40%)	9 (32%)	8 (42%)	65
	Total	54	74	25	28	19	200

Chi Square test (Table 9)

H₀: There is no significant relationship between brand of two wheelers and satisfaction level of the respondents.

H₁: There is significant relationship between brand of two wheelers and satisfaction level of the respondents.

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 7.6538$$

Degree of Freedom = (C-1) × (R-1) = 4 × 1 = 4

The table value of χ^2 at 5 % significance level with degree of freedom 1 is 9.49. The calculated value of χ^2 is less than table value (Table 8). Hence, the null hypothesis is accepted, indicating no significant association between the brand of two wheelers and satisfaction level of the respondents. Therefore, the null hypothesis is affirmed, suggesting that there is no noteworthy relationship between the brand of two-wheelers and the satisfaction level of the respondents.

Conclusion

The research paper provides a comprehensive exploration of consumer buying behavior towards two-wheelers, focusing on Panipat District in India. The evolution of the two-wheeler industry is intricately linked to the socio-economic development and shifting consumer behavior in India. The study spans historical developments, policy changes, and the industry's transformation post-liberalization in 1991.

The research identifies key demographic factors influencing consumer behavior, such as residential location, brand preferences, and occupation. It also identified factors such as friends and relatives, electronic media are key factors that influenced the purchase decision of consumers. Notably, the study reveals that brand preference varies between urban and rural areas, with Bajaj Auto being favored in urban locations and Hero Honda dominating in rural regions.

Importantly, the study examines the satisfaction levels of two-wheeler consumers, with 67.5% expressing satisfaction. It also reveals from this study that 73% of consumers of Hero Honda were satisfied, so other brands also need to make strategic decision to improve satisfaction level of their consumers. The analysis of satisfaction levels across urban and rural areas reveals nuanced patterns, emphasizing the need for manufacturers to consider regional variations in consumer preferences.

The research employs chi-square test to assess associations between variables, with findings rejecting the null hypothesis for brand preference and residential location, indicating a significant association. However, the null hypothesis is accepted for the relationship between brands and satisfaction levels, suggesting no significant connection. While it shows a significant relationship between brand preferences and residential location of consumers.

Furthermore, the study explores the factors influencing purchase decisions, highlighting the importance of friends, relatives, and media in shaping consumer choices. The research underscores the dynamic nature of consumer behavior, influenced by various factors such as perception, social environment, and cultural background.

In conclusion, the study emphasizes the critical role of understanding consumer behavior for two-wheeler manufacturers in the dynamic and competitive market. The findings provide valuable insights to manufacturing companies of two-wheelers for shaping marketing strategies, customizing offerings, and fostering customer satisfaction. The research not only contributes to the understanding of consumer behavior in the context of two-wheeler purchases but also underscores the need for continued research to adapt to evolving market dynamics.

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