

# A Study on two Wheelers Buying of Customer Satisfaction

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**Abstract :-** The origin of Indian Two-wheelers market, we think of old and stodgy Vespa based models of scooters and Japanese models of motorcycles, but now in the era of globalization the situation has completely changed as the many industries are sizzling hot with continuous poaching of scooters by motorcycles as well as regular launching of new models of motor bikes. Earlier the shelf life of models was in tune of 10-15 years but now it has come down drastically due to intense competition in motor bike industry. Hero Honda is trying to save its dominance in motorbike market from rigorous attacks of Bajaj Auto and TVS while Bajaj Auto is changing its portfolio by heavy inclusion of motorcycles in it. In this battle LML Group, Kinetic Group, Yamaha Motors, Honda Motors and Royal Enfield are also trying to provide something new to the customers.

**Key words:** Analysis of two wheelers, customer satisfaction and manufacturing company.

## I. INTRODUCTION

India is the second largest manufacturer and producer of two-wheelers in the world. It stands next only to Japan and China in terms of the number of two-wheelers produced and domestic sales respectively. This distinction was achieved due to variety of reasons like restrictive policy followed by the Government of India towards the passenger car industry, rising demand for personal transport, inefficiency in the public transportation system etc. The motorcycles segment was no different, with only three manufacturers viz Enfield, Ideal Jawa and Escorts. While Enfield bullet was a four-stroke bike, Jawa and the Rajdoot were two-stroke bikes. The motorcycle segment was initially dominated by Enfield 350cc bikes and Escorts 175cc bike. The two-wheeler market was opened to foreign competition in the mid-80s.

India is one of the very few countries manufacturing three-wheelers in the world. It is the world's largest manufacturer and seller of three-wheelers. Bajaj Auto

commands a monopoly in the domestic market with a market share of above 80%; the rest is shared by Bajaj Tempo, Greaves Ltd and Scooters India. As the years have progressed, Indian parts have become increasingly scarcer. This has led to the need to design and build increasing amounts of Indian parts. In 1989, Gary graduated from California State University of Long Beach with an Engineering degree in Manufacturing Engineering. The engineering has helped both Bob and Gary in the production of what we believe to be the best quality of Indian parts available. The line now stands at over 3000 items. Shortly has done her part by putting up with all of this for nearly 30 years, as well as handling most of the work in connection with the Indian Motorcycle Club. Gary has started helping her last couple of years with much of the mailing and typesetting, as he has become very proficient on the computer.

Bob Stark has been involved with Indian motorcycles throughout his entire life. Bob's father became an Indian dealer in 1918, after returning from military service during World War I. Bob still has a photo of his mother riding in a sidecar in 1923. Since Bob was born in 1934, his parents were involved with Indian cycles long before that. At the age of 10 Bob started staying around his father's shop, and developed quite an interest in the Indian cycles.

## II. BACKGROUND OF TWO-WHEELERS

When we think of Indian Two-wheelers market, we think of stodgy Vespa based models of scooters and Japanese models of motorcycles, but now the situation is completely changed as the industry is sizzling hot with continuous poaching of scooters by motorcycles as well as regular launches of new models by all players. Hero Honda is trying to save its dominance in motorcycles market from rigorous attacks of Bajaj Auto and TVS while Bajaj Auto is changing its portfolio by heavy inclusion of motorcycles in it. In this battle LML Group, Kinetic Group, Yamaha Motors, Honda Motors and Royal Enfield are also trying to have a say.

### III. RESEARCH DESIGN

A research design is the arrangement of condition for collection and analysis of the data in a manner that aims to combine relevance to the research purpose with the economy in procedure. In fact the research design is the conceptual structure with in which research is conducted, it constitutes the blueprint for the collection, measurement and analysis of data.

### IV. OBJECTIVES

- To study the customer preferences in choosing of Two-wheelers
- To study the factors that is affecting the choice of customers in choosing a store.
- To determine the satisfaction of customer drive performance of Two-wheelers.

#### A. Sources of data collection

The sources of data include both Primary and Secondary data.

Primary data is collected with specific objective, especially to address the research problem. The data is gathered by distributing a questionnaire to the customers who visit bikes stores and through personal interview.

Secondary data includes books, journals, magazines, newsletters of the bikes stores.

### V. OVERVIEW OF TWO-WHEELERS INDUSTRY

#### A. (Two-wheelers and Three wheelers)

- *Two-Wheelers*

The Indian two-wheeler industry made a small beginning in the early 50s when Automobile Products of India (API) started manufacturing scooters in the country. Until 1958, API and Enfield were the sole producers. In 1948, Bajaj Auto began trading in imported Vespa scooters and three-wheelers. Finally, in 1960, it set up a shop to manufacture them in technical collaboration with Piaggio of Italy. Although various government and private enterprises entered the fray for scooters, the only new player that has lasted till today is LML. Under the regulated regime, foreign companies were not allowed to operate in India.

Moreover, the then market leaders -Escorts and Enfield - were caught unaware by the onslaught of the 100cc bikes of the four Indo-Japanese joint ventures. With the availability of fuel-efficient low power bikes, demand swelled, resulting in Hero Honda - then the only producer of four stroke bikes (100cc category), gaining a top slot. The first

Japanese motorcycles were introduced in the early eighties. TVS Suzuki and Hero Honda brought in the first two-stroke and four-stroke engine motorcycles respectively. These two players initially started with assembly of CKD kits, and later on progressed to indigenous manufacturing. In the 90s the major growth for motorcycle segment was brought in by Japanese motorcycles, which grew at a rate of nearly 25% CAGR in the last five years. The industry had a smooth ride in the 50s, 60s and 70s when the Government prohibited new entries and strictly controlled capacity expansion. The industry saw a sudden growth in the 80s. The industry witnessed a steady growth of 14% leading to a peak volume of 1.9mn vehicles in 1990. In line with this, the scooter segment has consistently lost its part of the market share in the two-wheeler market.

In 1990, the entire automobile industry saw a drastic fall in demand. This resulted in a decline of 15% in 1991 and 8% in 1992, resulting in a production loss of 0.4mn vehicles. Barring Hero Honda, all the major producers suffered from recession in FY93 and FY94. Hero Honda showed a marginal decline in 1992. The reasons for recession in the sector were the incessant rise in fuel prices, high input costs and reduced purchasing power due to significant rise in general price level and credit crunch in consumer financing. Factors like increased production in 1992, due to new entrants coupled with the recession in the industry resulted in companies either reporting losses or a fall in profits.

- *Three-Wheelers*

India is one of the very few countries manufacturing three-wheelers in the world. It is the world's largest manufacturer and seller of three-wheelers. Bajaj Auto commands a monopoly in the domestic market with a market share of above 80%; the rest is shared by Bajaj Tempo, Greaves Ltd and Scooters India.

### VI. MAJOR PLAYERS AND COMPETITION

#### A. Hero Honda ltd

The legend of Hero Honda what started out as a Joint Venture between Hero Group, the world's largest bicycle manufacturers and the Honda Motor Company of Japan, has today become the World's single largest two-wheeler Company. Coming into existence on January 19, 1984, Hero Honda Motors Limited gave India nothing less than a revolution on two-wheels made even more famous by the 'Fill it - Shut it - Forget it' campaign. Driven by the trust of over 5 million customers, the Hero Honda product range today commands a market share of 56% making it a veritable giant in the industry. Add to that technological excellence, an expansive dealer network, and reliable after sales service, and you have one of the most customer- friendly companies.

### *B. Bajaj Auto Limited*

The Bajaj Group came into existence during the turmoil and the heady euphoria of India's freedom struggle. Jammalal Bajaj, founder of the Bajaj Group, was a confidante and disciple of Mahatma Gandhi, and was deeply involved in the effort for freedom. The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the Company today, are often traced back to its birth during those long days of relentless devotion to a common cause. Kamalnayan, the eldest son of Jammalal Bajaj, succeeded his father in 1942, at the age of twenty-seven. Putting the Nation before business, he devoted himself to the latter only after India achieved independence in 1947. But when he did so, he put his heart and soul into it. Within a short while, he not only consolidated the Group, but also diversified into various manufacturing activities, elevating the Group to the status it enjoys till this day.

Rahul Bajaj today heads the Group. He has been the Chief Executive Officer of Bajaj since 1968 and is recognized as one of the most outstanding business leaders in India. As dynamic and ambitious as his illustrious predecessors, he has been recognized for his achievements at various national and international forums. Bajaj is currently India's largest two and three-wheeler manufacturer and one of the biggest in the world. Bajaj has long left behind its annual turnover of Rs.70 million (1968), to currently register an impressive figure of Rs.42.16 billion (US\$ 936 million).

Mr. Jamanalal Bajaj founded the Bajaj Group in the 30s. The group now has 24 companies, including 6 listed companies. Besides BAL, the major companies in the group are Mukand Ltd. (Alloy/ Special Steel, term key projects), Bajaj Electricals Ltd. (Electrical equipments, fans, and appliances) and Bajaj Hindustan Ltd. (Sugar, industrial alcohol)

### *C. Lohia Machine Ltd*

The company was incorporated in 1972 as a private limited company called Lohia Machine Ltd. and starting manufacturing machine in technical collaboration with ARCT FRANCE in terms of companies Act 1956. The company was converted into public limited company. The activities were diversified by putting up synthetic yarn processing unit in 1978. Nylon 6 chips manufacturing of LML scooter. The activity of engineering unit was phased out and fiber unit was de-linked, as such as the company now manufacturing scooters and motorbike under the brand name of LML.

During the last 14 years the company has produced and sold over 19 Lacks scooters that is a remarkable achievement inspire of formidable competition formats competitors when LML entered the scooter industry in 1982. It was essentially operating in a seller market which had huge unmet demand it

was able to gain substantial and market share approached operand from 14000 a month in 1990 to 5000 a month in 1992. Overall sales in 1991 were half that of 1990. It introduced a new vehicle LML is in early 1992 which was priced higher than LML in September 1992 both the vehicles were restyled and re-launched as the NV special and TS special there was no immediate impacts on sales. Total sales in 1992 were lower than even 1991. However there was considerable reshaping within the existing demand with the higher price rapidly wresting a 35 percent shares of LML 20 sales. By end 1992 the company had managed to fix its mingling quality problems which have been preventing it from attaining a premium states in the eye of the consumer it started spending on advertisement also for provide- ding product related information to potential customers.

Innovative marketing such as exchanging any old scooter for new LML one and paying the difference is easy installment he helped in booming up the market share of LML considerable LML enthused its dealer with mere generous merging which ranges from Rs-725 to Rs-1100. By 1993, it introduced a new model LML select that proved an instant success by mid 1993 as much a 60 percent of LML sales to percent by 1993 had increased to 15,000 per month. It stayed at the sales reputed to 20,000 a per month by the year-end.

The severe demand recession during October 1990 top September 1992 upset the working of company resulting into heavy losses. Activities the company could introduce a new range of scooter with lot of added features like a better fuel, efficient engine and attractive metallic colors etc. with earning of recession the sales of company picked up a level of about 7,000 scooters to 4,000 scooters per month. During the year end 31-3-2016 LML has achieved a remarkable turn over by earning a net profit Rs-2,640 lacks as compared to net loss of 607 during the year proved further and the company has earned a net profit of Rs-467 crores during the period ended on 30-9-97 before exceptional item has also gone up from Rs-748.72 crores during 2011-12 to Rs- 1854.29 crores during 2015-16.

## **VII. LIMITATION OF THE STUDY**

It is not possible for any market study to make it accurate due to many hurdles in the collection and computation of data. Some limitations of the study are listed below

- Respondents show reluctance towards giving correct information.
- Findings of the study are based on the assumption that respondents have disclosed in the questionnaire.
- The sample was limited to only customers.

*A. TVS Victor*

The TVS Victor offers amongst the best value for money in the Indian two-wheeler industry. Its 110cc engine, 4 stroke engine develops 8.1 BHP and, thanks to its digital

ignition, can be optimized for power or fuel economy depending on your riding style.

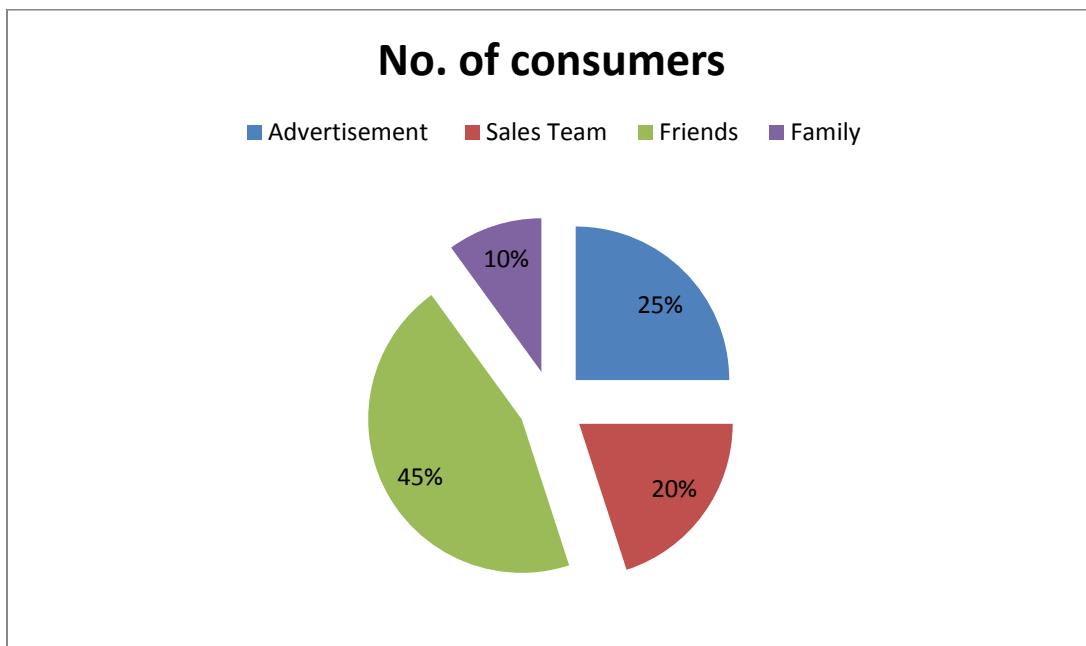
Its multi-reflector headlamps provide better illumination for safer riding while its long broad seat offers great comfort both for the pillion and the rider.

Table 1 :- Factors of influencing

<b>Factors</b>	<b>No. of consumers</b>	<b>Percentage</b>
Advertisement	25	25
Sales Team	20	20
Friends	45	45
Family	10	10
<b>TOTAL</b>	<b>100</b>	

Source of data

Chart 1



*A. Analysis of table 1*

Most of the consumers i.e. 45% are influenced by the friends. 25% consumers out of 100 respondents are influenced by advertisement. 20% consumers out of 100

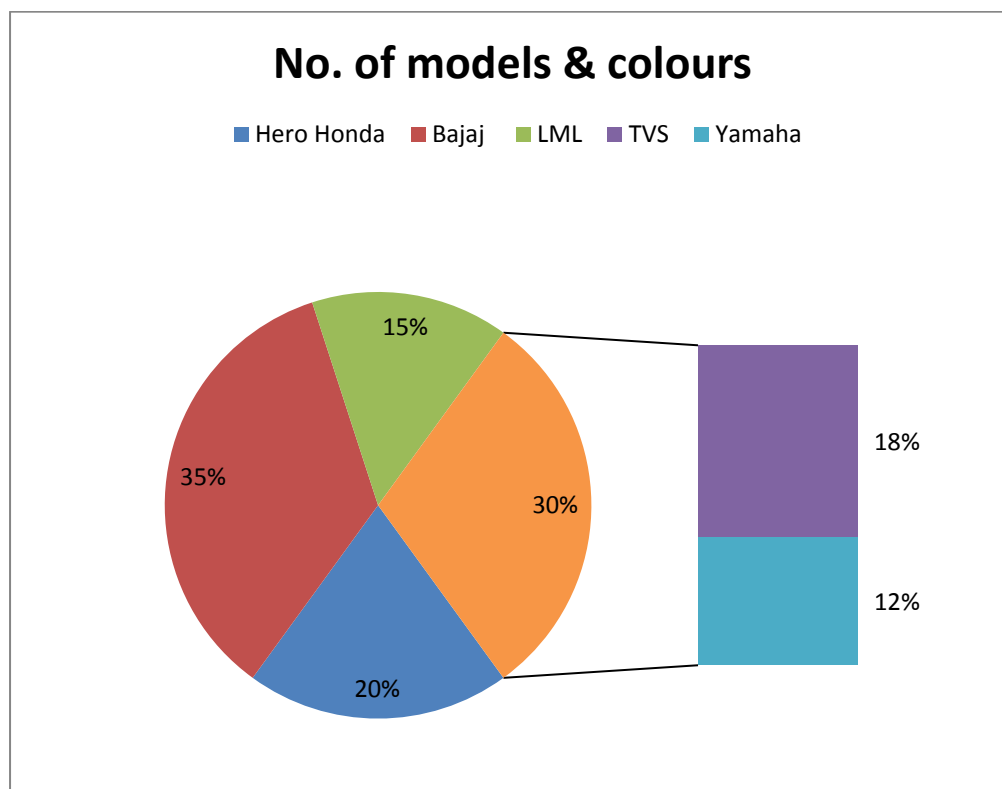
respondents are influenced by the sales team. Whereas, rest of the consumers i.e. 10% are influenced by family while making the purchase decision, the friends is highest responsibility of factors in reached to customer.

Table 2 :- Response of the consumers regarding models and colors

Company	No. of models & colours	Percentage
Hero Honda	20	20
Bajaj	35	35
LML	15	15
TVS	18	18
Yamaha	12	12
<b>TOTAL</b>	<b>100</b>	

Source of data

Chart 2



*B. Analysis of table 2*

Most of the consumers i.e. 35% like colours and models of Bajaj motorcycles. Whereas, equal 20% consumers

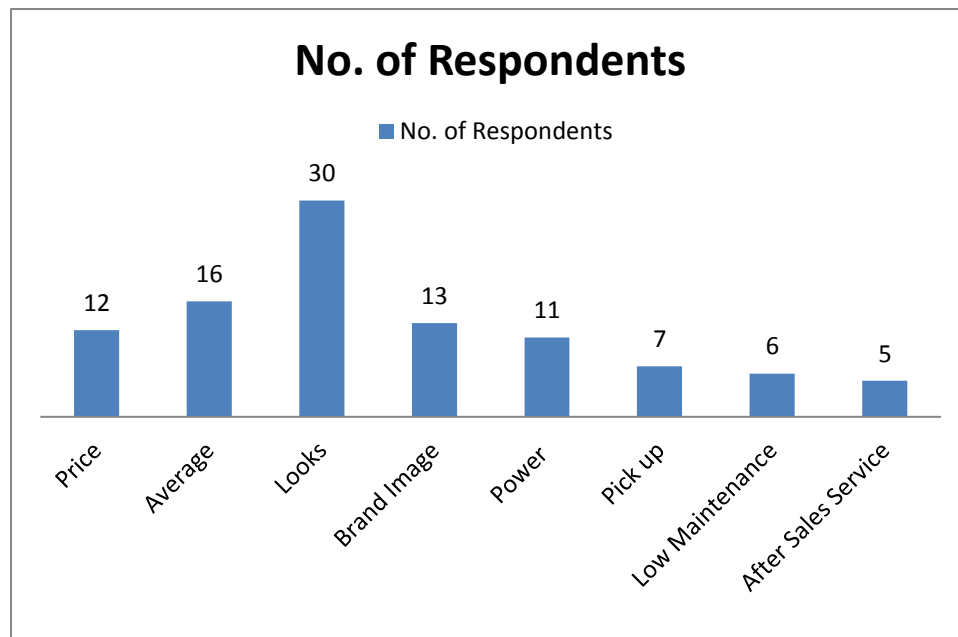
like colours and models of Hero Honda and TVS motorcycles, Moreover, rest equal 15% and 12% consumers like colours and models of LML and YAMAHA motorcycles. The drive man wants highly Bajaj bikes well satisfied.

Table 3 :- Factors affecting consumer buying behavior

Factors	No. of Respondents	Percentage
Price	12	12
Average	16	16
Looks	30	30
Brand Image	13	13
Power	11	11
Pick up	7	7
Low Maintenance	6	6
After Sales Service	5	5
<b>Total</b>	<b>100</b>	

Source of data

Chart 3



C. Analysis of table 3

30% consumers out of 100 are influenced by Looks Factors (Most Influencing Factor). 16% consumers out of 100

are influenced by average. 7% consumers out of 100 are influenced by mileage. The customer wants to bike and pickup for looks of buying.

### VIII. CONCLUSION

From the analysis of the data, it can be concluded that the Bajaj and Hero Honda motor bikes likely are most familiar by people. The drive of customer this bikes style, price, good look, pickup and mileage is good. The selected easily two wheelers buying customers.

#### References

In this project while finalizing and for analyzing quality problem in detail the following books, magazines and websites have been referred.

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- ❑ Research Methodology – *Kothari*
- ❑ Business Statistics – *S.P. Gup*

##### *Magazines Consulted:*

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- ❑ The Hindu
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- ❑ Economics times

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