

Vinodhini Yallagandala

**A study on buyer behavior on two wheelers
in selected districts of Andhra Pradesh**

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STUDY
ON
BUYER BEHAVIOUR ON
TWO-WHEELERS
IN
SELECT DISTRICTS
OF
ANDHRA PRADESH

CONTENTS

CHAPTER	PAGE NUMBER
INTRODUCTION (INTRODUCTION TO THE STUDY, PURPOSE OF THE STUDY, SIGNIFICANCE OF THE STUDY, OBJECTIVES OF THE STUDY, RESEARCH METHODOLOGY AND PLAN AND PRESENTATION OF THE STUDY).	3-25
REVIEW OF LITERATURE	26-54
CONSUMER BEHAVIOUR -CONCEPTUAL FRAMEWORK	55-106
TWO- WHEELER INDUSTRY PROFILE	107-124
DATA ANALYSIS AND INTERPRETATION FINDINGS	125-171
RECOMMENDATIONS	172-175
BIBLIOGRAPHY	176-185

CHAPTER – I

INTRODUCTION

Marketing, lays thrust on customer needs so much so that “customer-driven marketing” has become synonymous with marketing. The emphasis is now on understanding and fulfilling consumer needs to such an extent that it strikes a balance between value-delivered and company profitability. Satisfaction of customers needs provides the rationale for a firm’s existence. An understanding of the motives underlying consumer behaviour helps the firm to seek better and more effective ways to satisfy its customers, select appropriate sales-mix and advertising strategies, and plan its marketing programme in a more timely and effective manner.

The two-wheeler segment in the automobile industry plays a vital role in India. The reason being, that a two-wheeler is affordable by middle class people in urban and semi-urban areas. It is also more convenient for traveling short distances within the city over the years the sales figures of the two-wheelers have increased to a very large amount. The sales of the two-wheelers in 1950 were less, whereas now the total sales have shoot up to lakhs per year.

The standard of living is improving year by year People are able to afford for opulence items for self-satisfaction and need fulfillment. In this scenario, automobiles are gaining its share because of new innovations and inventions in automobile industry.

Due to this, motor vehicles are in full demand. Apart from the above increasing manufacturing efficiencies, greater emphasis on quality, large investments implying increasing financial commitments and distributed ownership of enterprise have all resulted in the advancement of *Two-Wheeler* segment in India.

In order to know which brand has got good brand image and market share, and buying behaviour of the consumers in competition to various brands. *Two- Wheeler* market will still be dominated by two-segments: Motorcycles and un-g geared scooters and that will not change. Moped segment may see a reversal change i.e. which was declining will have favourable monsoon. There has been a series of two-wheeler launches by most of the companies with some being success and others are not being acceptable by the customers. Even discounts or price cuts are being undertaken in the market which is flooded with option, however at the end of the day what the customer actually looks at to derive from the *Two-Wheeler*.

By analyzing, attempts are made to understand the buying behaviour of the consumers towards different brands and also to identify the areas where further improvements are required.

The study of consumer behaviour, therefore, includes an understanding of physical activity of buying as well as mental decision process involved in the purchase outcome. On one side, intermeshing of various demographic and psychographics features in consumers pose several challenges and opportunities to marketers. And stiff competition among sellers and the availability of a wide array of products increase complexities for a consumer and hence, involvement in buying. Though marketers are chiefly interested in the “physical act of buying” by a consumer, yet, the market conditions impel them to study the “mental decision process” undergone in reaching the decision along with.

Everyone in this world is a consumer we need a variety of goods and services. Time was when people used to get surprised when some consumers drove a two-wheeler. The option of riders was very limited or limited to a small percentage of the total two-wheeler market. Not all buyers are two-wheeler consumers, and then who are those consumers? In addition, how they behave while purchasing a two-wheeler is very important for the marketers. Walter says that buyer behaviour is the process whereby individuals decide what, when, where, how and from whom to purchase goods and services. Competition is getting fierce with the arrival of foreign collaborated two-wheeler manufacturers who are recognized for their quality across the globe. A challenge has begun and the fate of these various brands will be decided based upon their price, technology, and servicing.

Therefore, it becomes necessary to study the buying behaviour of the customers by which marketers can understand consumer behaviour, only then they are able to predict how customers are likely to react to various

informational and environmental clues and shape their strategies accordingly suggest relevant strategies to the organization towards understanding the behaviour of customers and enhance the profitability of the organization.

Consumer behaviour is influenced strongly by cultural, social, personal and psychological and psychographic factors. ***Cultural*** factors include a set of basic values, perceptions, want and behaviour learned by a member of the society from family and other important institutions. The ***social*** factors include consumer's family, small groups, social roles, and status. The ***personal*** factors characterized such as buyer's age, lifecycle stage, occupation, economic situation and lifestyle etc., a person's buying choices are further influenced by ***psychological*** factors. ***psychographics*** "seeks to describe the human characteristics of consumers that may have bearing on their response to products, packaging, advertising and public relations efforts. Such variables may span the spectrum from ***self-concept*** and lifestyle to attitudes, interests and opinions, as well as perceptions of product attributes" (Gunter & Furnham, 1992).

Psychographics are used to determine lifestyle characteristics and traits that can be correlated into targeted marketing programs (Bainbridge, 1999).

Psychographics and lifestyle are often used interchangeably, but psychographics is actually the way that lifestyle is made operationally useful to marketing managers. Psychographics appraises a consumer's activities,

interests, opinions, and values and correlates them with a consumer's demographics. Psychographics allow for a more complete picture of an individual, making it easier to understand how to market products to them.

Basis of Psychographics – Psychographics initially emphasized consumer's activities, interests, and opinions, also known simply as AIO. AIO inventories were helpful, but were soon found to be excessively narrow. Today, psychographics has broadened to include attitudes, values, activities and interests, demographics, media patterns, and usage rates (Hawkins, 1998). Because of this new, more extensive, definition, psychographics is able to more precisely define who a company or product's consumers are.

There has been some dispute between marketing experts and scholars as to what constitutes psychographics. Is it synonymous with lifestyle or is it a separate entity? Researchers have concluded that there is a distinction between the concepts.

Some marketers believe that psychographics refers to a consumer's personality traits, while lifestyles consist primarily of an individual's activities, interests, and opinions (Gunter et. al, 1992). In application of psychographics, however, it is helpful to use both personality traits and lifestyles to collect meaningful market information. Examples of what constitutes AIO categories is found in the following table: AIO Categories of Lifestyle Studies

Activities	Interests	Opinions	Demographics
Work	Family	Themselves	Age
Hobbies	Home	Social Issues	Education
Social Events	Job	Politics	Income
Vacation	Community	Business	Occupation
Entertainment	Recreation	Economics	Family Size
Club Membership	Fashion	Education	Dwelling
Community	Food	Products	Geography
Shopping	Media	Future	City Size
Sports	Achievements	Culture	Stage in lifestyle

(Gunter & Furnham, 1992)

Psychographic Research – One can not begin to explain psychographics without first defining the manner in which psychographic research is conducted. Psychographic research is quantitative research that attempts to place consumers based on psychological, as opposed to strictly demographic dimensions (Heath, 1995). The most popular research tool describing lifestyle and psychographics is SRI International's Value and Lifestyles Program (VALS).

VALS was introduced in 1978, but was replaced in 1989 by a new system, VALS 2 (Hawkins, 1998). The original VALS was more activity and interest based, while VALS 2 is more psychologically based. VALS 2

also places less emphasis on values and more emphasis on psychological, economic, and educational resources (Weinstein, 1994). VALS 2 is used to classify subjects according to their self-orientation and resources. Based on these two concepts, eight general psychographic segments have been identified. The following table gives a quick overview of some of the key descriptors for the groups.

VALS 2 Consumer Segments	
Actualizers	Independent, leaders, risk takers, successful, active
Fulfilled	Organized, self-assured, intellectual, mature, satisfied
Believers	Literal, respectful, loyal, conservative, practical
Achievers	Conventional, brand conscious, realistic, career-oriented
Strivers	Eager, social, trendy, unsure of themselves
Experiencers	Impatient, impulsive, spontaneous, young, enthusiastic
Makers	Self-sufficient, practical, family oriented
Strugglers	Cautious, conservative, conformist, poor, ill-educated

(Weinstein, 1994; Hawkins, 1998)

VALS and VALS 2 information has been used successfully to develop new products, create product positioning strategies, target new markets, design ad campaigns, measure media audiences, and predict consumer and business trends (Weinstein, 1994). It is one of the most valuable and useful tools related to psychographic research.

Increase in urbanization, higher disposable incomes, falling interest rates, poor public transportation lead to increase in the volume of Two-Wheelers. A buyer chooses personalized transportation or convenience, instead of public transportation to a desired location in most of the situations.

Buying behaviour involved in Two-Wheeler purchase is mostly “complex buying behaviour”. These buyers perceive significantly, the differences among different brands, the two-wheeler purchase is risky, purchased infrequently and highly self-expressive. Typically, buyer has much to learn about the availability of different brands and models before taking the buying decision. They will pass through a learning process, first developing beliefs about the two-wheelers, then attitudes, and then making a thoughtful purchase decision choice. Sheer pace of growth, wide spectrum of new technologies, and the number of new two-wheeler manufacturers have made the two-wheeler unique. With the entry of the new-models for has made the two-wheeler buyer more attracted towards the two-wheelers. With the changes in perception, as well as lifestyles, two-wheelers have become indispensable in most households. There is also demand shift towards semi-automatics or electric starts, mainly because of the ease in operations, preferred by this segment.

Marketing practitioners and marketing researchers have begun to recognize the importance of this segment not only because of their increasing size and wealth, but also because this segment have been identified as having market place needs different from other segments. Their needs, personal characteristics and perceptions form a separate segment.

Customers are becoming more style conscious. Certain segment of buyers have a new breed of buyers who have mastered the art of buying armed with increased disposable income due to recognition and position in the corporate world.

Marketers have identified such consumers buy with their heart and mind. They prefer detailed information about the benefits and ingredients.

In many cases, they would like to know, what if he does not like the product or service before even trying it. Buyer would buy the product only if he is been convinced that the manufacturer considers their behavioural aspects. Never forget that Dale Carnegie rule that says, “People want to know how much you care before they care about how much you know”. The first thing a consumer would look for their convenience. A regular update on what is new and offers is necessary to keep the loyal customers in tact.

The year 2000 can be best described as a bumpy one it was dolled with a spate new vehicle launches both in India and world wide as well as controversies, financial troubles, mergers and shut downs. The bottom line: the market did not really fact well. In fact, marketers were busy trying to clean up their own premises, fix financial upheavals and consolidate their position.

The same raising expectations have occurred in automobile market two wheeler market has seen plenty of intensive action. Sales of motor cycles over look those of scooters, forcing even scooter makers such as LML

to get into the mobile market until recently a given model changed very little from year to year, its usually look ten years for significant changes to become standard. Now the rate of change and corresponding customer's expectation has accelerated at a frightening pace. People expect each new model to offer most and better features. Satisfaction of consumers is the ultimate aim of the any business activity. For the success of business, all the marketing plans and policies should be consumer oriented. Knowledge of consumer behaviour is therefore acquired for effective product planning.

The study of consumer behaviour attempts at marketing implications for two-wheelers the study includes, awareness determinant factors such as psychographics and demographics, attributes influencing the selection of a two-wheeler and so on.

Aim of the study

The aim of the study is to know the buyer behaviour on two wheelers in select districts of Andhra Pradesh (India).

Objectives of the study

- To study the impact of specific demographic variables on buyer behaviour.
- To study the relationship between psychographics of two-wheeler buyers and their brand choice.
- To examine the features influencing while making two-wheeler purchase.
- To identify the factors influencing two-wheeler purchase behaviour

HYPOTHESIS

1. **H₀**: There are no significant differences among different brand owners as measured by Brand Engagement in Self Concept when compared across select demographic characteristics.

2. **H₀**: There are no significant differences among different brand owners as measured by Brand Engagement in Self Concept when compared across and within the select groups.

Scope of the study

The study is focused on buyer behaviour on Two-wheelers in Select Districts of Andhra Pradesh. Buyer behaviour and their decision process are studied from customer's point of view. Sampling technique is used to collect the opinions of customers on two wheelers, this study is conducted in Hyderabad and Medak Districts surrounded municipalities. It is believed that the residents of these municipalities' people who have settled down here are from various parts of Andhra Pradesh. The study is emphasized on, buyer behaviour their purchasing patterns; determinant factors such as psychographics (value and life styles, activities, interests and opinions, personality) and demographics, their impact on buying decisions. Customer opinions are evolved from the following product categories of two-wheelers such as bikes, mopeds, scooters.

Significance of the study

Today, Two-Wheelers have become an essential part of personal possessions and life. Customers life styles are changing, behaviour patterns are changing, buying habits are also changing. Usage of Two-Wheelers is increasing in the market, The whole two-wheelers market is undergoing transformation as companies lay special emphasis on personality of consumers in making these brands. in course of this process, some Two-

Wheelers companies are attaining a good success, while the others are failing to reach their target customers, thus there is a need to know the factors effecting , success or failure.

The study is taken up to know the buying behaviour of consumers particularly in select districts (Hyderabad and Medak) of Andhra Pradesh, identify their buying patterns. This study has considerable academic as well as industrial relevance because the study is focused on, buyer behaviour their purchasing patterns; determinant factors such as psychographics (value and life styles, activities, interests and opinions, personality) and demographics, their impact on buying decisions are best understood. The study evoked better understanding and ideas for marketing strategies and pruning of best behavioural practices of target buyers for Two-wheelers. The finding of the study helps in aligning marketing strategies with the changing buyer behaviour and market needs.

Methodology

The Methodology adopted for conducting the study in Select Districts Hyderabad- Shalibanda, Bandlaguda, Gachibowli, Chandrayangutta, Hanmantekdi, and Secunderabad, Avulamanda, Lal Bazaar, Uppal, LB Nagar, KPHB, Kapra, Rajendranagar, Gaddiannaram, Saroornagar, Ramchandrapuram and Medak- Sangareddy, Gopannapally, Siddipet, Narsapur, Gajwel, Gummadidala, Bontapally, Edupailu, Empalle, Nachagiri, Kondapur Pocharam, Manjira.