



## A Study on Customer Attitude of Brand Equity and Socio Economic Imbalances of two Wheeler Users in Coimbatore District

### KEYWORDS

Two-wheeler, Brand Equity, customer retention, purchase decisions and brand in preference

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**ABSTRACT** *Two-wheeler is an important product item in modern society both in urban and rural areas. It is one of the consumer durable products that have become an absolute necessity at the household and the single most popular form of family using. Consumers mainly purchase the product for their convenience. Gradually it is becoming more popular in the consumers' world and its demand is world- wide (Nuruzzaman, 1996). Consumers' purchase decisions for two wheelers are always influenced by a number of factors, which lead them to select a particular brand in preference to others. Further, the growing market size and the entry of many multinational companies have led to heavy competition. The survival of the fittest is the brand that impressed the customer the most. So, it became necessary for the companies to build their brands and increase their Brand Equity in order to attract new customers and retain their existing customers especially. Hence, the present study which attempts to study the impact of Brand Equity on the customer retention value is the need of the hour, since the implications of the study will enable the brand managers of each brand of two-wheeler to build a strong brand and ultimately leading to retaining their valuable customers.*

### 1.1 THE AUTOMOBILE INDUSTRY

Automobile is one of the largest industries in global market. Being the leader in product and process technologies in the manufacturing sector, it has been recognized as one of the drivers of economic growth. During the last decade, well-directed efforts have been made to provide a new look to the automobile policy for realizing the sector's full potential for the economy. Steps like abolition of licensing, removal of quantitative restrictions and initiatives to bring the policy framework in consonance with WTO requirements have set the industry in a progressive track. Removal of the restrictive environment has helped restructuring, and enabled industry to absorb new technologies, aligning itself with the global development and also to realize its potential in the country. The liberalization policies have led to continuous increase in competition, which has ultimately resulted in modernization in line with the global standards as well as in substantial cut in prices. Aggressive marketing by the auto finance companies have also played a significant role in boosting automobile demand, especially from the population in the middle income group (Kathiravana, 2010).

#### Indian two-wheeler industry

After facing its worst recession during the early 1990s, the industry bounced back with a 25 % increase in volume sales in FY1995. However, the momentum could not be sustained and sales growth dipped to 20 % in FY1996 and further down to 12 % in FY1997. The economic slowdown in FY1998 took a heavy toll of two-wheeler sales, with the year-on-year sales (volume) growth rate declining to 3 % that year. However, sales picked up thereafter mainly on the strength of an increase in the disposable income of middle-income salaried people (following the implementation of the Fifth Pay Commission's recommendations), higher access to relatively inexpensive financing, and increasing availability of fuel efficient two-wheeler models. Nevertheless, this phenomenon proved short-lived and the two wheeler sales declined marginally in FY2001. This was followed by a revival in sales growth for the industry in FY2002. Although, the overall two-wheeler sales increased in FY2002, the scooter and moped segments faced de-growth. FY2003 also witnessed a healthy growth in overall two wheeler sales led by higher growth in motorcycles even as the sales of scooters and mopeds continued to decline. Healthy growth in two-wheeler sales during FY2004 was led by growth in motorcycles even as the scooters seg-

ment posted healthy growth while the mopeds continued to decline. This has led to the development of various brands of two-wheelers.

#### 1.1.6 Two wheeler companies and their Brands

Hero Honda Motors Ltd (HHML), Bajaj Auto Ltd (Bajaj Auto) and TVS Motor Company Ltd (TVS) account for over 80 % of the industry sales. The other key players in the two-wheeler industry are Kinetic Motor Company Ltd (KMCL), Kinetic Engineering Ltd (KEL), LML Ltd (LML), Yamaha Motors India Ltd (Yamaha), Majestic Auto Ltd (Majestic Auto), Royal Enfield Ltd (REL), Suzuki Motor Corporation and Honda Motorcycle & Scooter India (P) Ltd (HMSI).

Honda Motors Ltd (HHML) has brands such as Splendor, Super Splendor, Splendor NXG, CBZ X-treme, Hunk, Glamour, CD Deluxe, Passion, Pleasure, Passion plus, Splendor Plus etc.

For Bajaj Auto Ltd (Bajaj Auto) the motorcycles include branded models like Bajaj Platina, Bajaj Avenger DTS-1, Bajaj Pulsar DTS-1, Bajaj CT 100, Bajaj Discover, Bajaj Pulsar 220 DTS-Fi while scooters such as Chetak, Kristal DTS-I are the leading brands that make up the company's two wheeler market.

A range of mopeds, scooters and motorcycles from the motorcycle manufacturer TVS Motor such as, Scooty, Scooty Pep Plus, TVS Victor Edge, TVS Star, TVS Star City, TVS XL Super, TVS Apache RTR and TVS

Yamaha Motor India is the Indian subsidiary of the Japanese automobile giant, Yamaha. The company has a limited presence on the Indian two-wheeler scene with models like Gladiator, Yamaha G5, Crux and Alba The brands of all of these manufacturers are considered for the study.

#### Statement of the problem

Due to heavy competition and availability of many brands of two-wheelers the strategies followed by the brand managers to acquire the market is of crucial importance. On the other hand, acquiring the market is only by means of establishing strong brand equity. Hence, it is important for the brand managers to know,

what is the perception of the customers about Brand Equity of their brand?

which type of two-wheelers is preferred based on gender particularly the women?

what will be the success rate of customer retention for a given equity of a brand?

In order to answer the research questions raised, the objectives of the study were framed and presented below.

**OBJECTIVES OF THE STUDY**

- To enumerate the customers' perception towards brand equity of various two wheeler brands.
- To know the gender-based customers' brand preference

**Analysis on the Socio-Economic Characteristics of the Respondents**

GENDER WISE CLASSIFICATION					MARITAL STATUS WISE CLASSIFICATION				
S.No.	Gender	Frequency	Percentage	Chi-Square	S. No.	Marital Status	Frequency	Percentage	Chi-Square
1	Male	719	71.8	190.778	1	Married	855	85.4	502.179
2	Female	282	28.2	df=1	2	Unmarried	146	14.6	df=1
Total		1001	100	P=0.000	Total		1001	100	P=0.000
OCCUPATION WISE CLASSIFICATION					MONTHLY INCOME WISE CLASSIFICATION				
S. No.	Occupation	Frequency	Percentage	Chi-Square	S. No.	Monthly Income	Frequency	Percentage	Chi-Square
1	Salaried-Private	385	38.5	641.22	1	Upto 10,000	228	22.8	142.373
2	Salaried-Govt	160	16	5	2	Rs.10,000-20,000	336	33.6	3
3	Professor/Teacher	122	12.2	0	3	20,000-30,000	332	33.2	0
4	Doctor/Engineer	12	1.2		4	Above 30,000	105	10.5	
5	Business	290	29		Total		1001	100	
6	Others	32	3.2						
Total		1001	100		TYPE OF TWO WHEELAR WISE CLASSIFICATION				
TYPE OF FAMILY WISE CLASSIFICATION					Sl No.	Type of Two Wheeler	Frequency	Percent	Chi-Square 5% Level)
S.No.	Type of Family	Frequency	Percentage	Chi-Square	1	Non-Geared	274	27.3	112.821 df=2 P=0.000
1	Nuclear	626	62.5	62.938	2	Geared	468	46.7	
2	Joint	375	37.5	1	3	Both	259	25.9	
Total		1001	100	0		Total	1001	100	

The socio-economic characteristics of the respondents of the study shall play a vital role in analyzing the perception of the respondents towards brand equity and its impact on customer retention for two-wheeler brands. Hence, this section tabulates the data and interprets the results of the statistical analysis of the socio-economic characteristics of the respondents viz., Gender, Marital Status, Occupation, Monthly income and type of family.

From the above Table, it is evident that 71.8% of the respondents are male and 28.2% of them are female.

for two-wheelers.

**METHODOLOGY**

The major purpose of this investigation is to capture the customer's perception towards brand equity of various two-wheeler brands and its impact on customer retention for two-wheeler brands. It was decided that a descriptive study using primary data would be appropriate to investigate the objectives and the hypotheses. The instrument used to collect the data was questionnaire. The researcher has presented and interpreted the collected data supported by quantitative techniques. In the subsequent sections, the researcher elaborates the method adopted to design and administer the questionnaire, the sampling technique used and the justification for choosing the sample.

85.4% of the respondents are married and 14.6% of them are unmarried. Chi-square result indicates that the proportion of married and unmarried respondents is unequal.

38.5% of the respondents are private employees category; 16% of them are Government employees; 12.2% of them are Professor/Teacher category; 1.2% of them are Doctors/Engineer; 29% of them are doing business and 3.2% of them belong to other category such as student and house-wife

22.8% of the respondents are earning below Rs.10,000/- ; 33.6% of them are in the income group of Rs.10,000 -

Rs.20,500/-; 33.2% of them are earning between Rs.20,000-30,000 and 10.5% of them are earning above Rs.30,000

62.5% of the respondents are of nuclear type family and 37.5% of them are belongs to joint family category.

Thus, the analysis on socio-economic characteristics of the respondents and Chi-Square analysis reveals that the difference in the proportion of respondents of all the characteristics are significantly different. Hence, the study has surveyed a wide range of respondents differing in gender, marital status, monthly income, occupation and type of family. With this analysis on socio-economic characteristics of the respond-

#### Cross Tabulation on Gender-based preference for two-wheeler brands

Brand	Gender	Order of Preference					
		First	Second	Third	Fourth	Fifth	TOTAL
TVS	Male	105	32	477	35	70	719
	Female	21	40	200	7	14	282
	Total	126	72	677	42	84	1001
Hero Honda	Male	474	68	72	73	32	719
	Female	233	11	17	15	6	282
	Total	707	79	89	88	38	1001
Bajaj	Male	30	509	131	9	40	719
	Female	9	240	24	4	5	282
	Total	39	749	155	13	45	1001
Yamaha	Male	93	35	12	544	35	719
	Female	21	5	6	247	3	282
	Total	114	40	18	791	38	1001
Other Brands	Male	6	99	34	70	510	719
	Female	7	14	30	14	217	282
	Total	13	113	64	84	727	1001

It is apparent from the above Table that majority of the male (474) and female (233) respondents have preferred Hero Honda as their first choice of two-wheeler brand followed

ents, the following section discusses the objective-wise analysis of the study using appropriate statistical tools.

#### 4.2 Analysis on gender-based customers' brand preference for two-wheelers

The preferences for any product or brand vary extensively between male and female. Hence, any study on brand preference should be concerned with analyzing the preferences based on gender. Thus, the following tables portray the type of two-wheeler being used by the respondents based on their gender and their preferences for the different brands of two-wheelers.

by Bajaj as their second choice comprising of 509 male respondents and 240 female respondents. Further, 477 male respondents and 200 female respondents have opted TVS as their third choice of preference and 544 male respondents and 247 female respondents have preferred Yamaha as their fourth choice of preference for two-wheeler brands. Finally, most of the male respondents numbering 510 and 217 female respondents have opted other brands of two-wheelers as their fifth choice of preference.

#### Conclusion

Basically this study considered the effect of intangible and tangible attributes of brand equity as well as its relationship to customer retention. There is a strong relationship between the different attributes of brand equity and customer retention. Across this category, the brand with the greater brand awareness yielded substantially higher levels of retention. In turn, the brand with the higher brand imagery generated significantly greater preference. The findings highlight the need to gain an understanding of the impacts of taken attributes and their contribution to customer and preference under different components. It might have been expected that brand imagery may have greater importance than overall performance for the brand, given the less abstract nature of this product category. This finding should be viewed with caution, since the product used in the study is non-durable products. Finally the measurement and management of brand equity have become top priority marketing issues in recent years, as evidenced by the growing literature on the subject. Most articles automatically assume that brand equity has an impact on a brand's performance. However, it does not make sense economically to invest a firm's scarce resources in strategies to add value if the value does not translate into preferences and purchase behavior. Also, if the brand is not able to retain its existing customers all the resources are squandered. Firms need empirical evidence of the consequences of brand equity. The present study demonstrated that selected five attributes together help to build up customer retention.

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