



A STUDY ON TWO WHEELER PROMOTIONAL PRACTICES WITH REFERENCE TO HERO MOTORS

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ABSTRACT The present human life style running on wheels and the vehicles are necessary to all level of income groups in the society, which lead to lead better life. By considering these opportunities the two wheelers / Bike manufacturers are designing and following variety of practices to attract customers by using all electronic / print media including one to one promotion. The growth in Indian Automobile Industry owed the most to a steep upsurge witnessed in the two-wheeler segment till 2015. The volume growth recorded in the 2015-16 fiscal year stood at a commendable 14.8 percent on a year-on-year basis. The 'Make in India' campaign of the Government of India is also going to attract more foreign investment into Indian Two-Wheeler Industry creating further growth opportunities in the coming years. Identifying the target audience and enabling most economical and effective communication to fulfill communication objectives are important strategic areas in promotions. Appropriate designing of the message format, content and structure to be convincing are of great importance.

KEYWORDS : Service Efficiency, Media, Promotion, Finance

Introduction:

Sales promotion, a key ingredient in marketing campaigns, consists of collections of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade. Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, premiums, free trials, warranties, point-of-purchase displays, demonstrations); trade sales promotion (prices off, advertising and display allowances and free goods).

According to several psychologists, the human brain is designed for seeking patterns and solving problems. Modern means of transportation hastened the progress of civilization and increased learning and scientific endeavor. Rapid strides made by the petroleum industry, in petroleum exploration, production and refining to produce premium petroleum fuels and lubricants has been the prime support that has fostered the development of modern transportation. Innovation has enabled mankind in its continued quest for new and improved solutions to problems in various fields of pure and applied science, technology and social sciences including management studies. On the basis of outcome and their impact on growth, innovations have been categorized by Christensen and Bever (2014) as performance improving innovations – which replace old products with improved products; efficiency innovations – which help provide products and services to customers in a faster, cheaper, more convenient and satisfying manner and market creating innovations – which radically transform complicated, sophisticated and expensive products and services to become accessible to and affordable for consumption by a new class of customers or create a new market altogether, where the demand did not exist earlier. Firms who have marketed their innovative solutions better than their rivals have often won in the market even with somewhat inferior products compared to their rivals. Marketing of Innovations is a therefore prime tool for maintaining sustainable competitive advantage for organizations.



Literature Review:

Krishnan and Jain (2006) have opined that the determinants of optimal advertising are advertising effectiveness, discount rate, and the ratio of advertisement to profits. Based on the dynamics of these factors, the optimal advertising takes decrease-increase, increase-decrease, monotonically increasing or monotonically decreasing shape. A high

discounted advertising coefficient and a low advertising-sales ratio recommends an advertising increase, while a low discounted advertising coefficient and a high advertising-sales ratio recommends an advertising decrease.

One of the most common types of promotion involves the offer of a reward, free gift or gratification with the purchase of a product. They are two distinct types, based on timing of the reward, immediate or delayed. Kim (2013) examined the relative effectiveness of immediate versus delayed promotion and concluded that in case of variety seeking purchase behaviour, which involves an element of higher perception of risk, delayed promotion is more attractive. On the other hand, some of the offers add an element of uncertainty by either not specifying the exact free gift or by offering an array of possible free gifts, making the exact one uncertain. Several researchers provided insight beneficial or detrimental effect of to such uncertainties in promotion design.

A recent study by Risselada et. al. (2014) conclusively stated that "social influence affects adoption through different social influence variables". Their findings have implications in development of referral campaigns and provide guidance to social media marketers. They also advise that marketers promote referrals heavily immediately after new product introductions, as the effect of referrals decreases over time. Major gaps in their studies was inclusion of only direct marketing data and ignoring mass marketing and channel based marketing situations. Hero Motor Corp.

The world's largest bicycle manufacturers and the Motor Company of Japan, has today become the World's single largest two wheeler Company. Coming into existence on January 19, 1984, Hero 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 product range today commands a market share of 48% 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.

Research Methodology:

The Methodology part will explain the road map for proposed research include Objectives and Hypothesis followed by sample and sample size and data collection methods etc..

Objectives:

- 1) To Know the various promotional strategies followed by Hero Motor Corp.
 - 2) To identify bike features impact on promotional practices.
 - 3) To know the Service efficiency impact on promotional practices.
- Hypotheses:

H01: There is no significant impact on different schemes impact on Hero bike promotion and sales

H02: There is a relation between prestige issue and bike buying through promotional activity

Data Collection:

The primary data was collected with the help of structured questionnaire which contain 12 questions designed with likert scale regarding promotional practices by Hero Company in Hyderabad city.

Sample:

A sample of 100 two wheeler users of Hero motors in Hyderabad opinions was considered with above questionnaire.

Analysis:

Factor Analysis (More Impacted Promotional Factors)

KMO and Bartlett's Test

| | | |
|---|--------------------|-------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .786 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 577.249 |
| | df | 21 |
| | Sig. | .000 |

Before we proceed for factor analysis first the researcher tested the eligibility of the data by checking KMO- Bartlett's test which is a measure of sampling adequacy. The KMO value is 0.810 >0.6. Bartlett's Test of Sphericity indicates a measure of the multivariate normality of set of variables (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis).

Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 3.524 | 50.344 | 50.344 | 3.524 | 50.344 | 50.344 |
| 2 | 2.115 | 30.219 | 80.562 | 2.115 | 30.219 | 80.562 |
| 3 | .633 | 9.043 | 89.606 | | | |
| 4 | .392 | 5.600 | 95.205 | | | |
| 5 | .139 | 1.989 | 97.194 | | | |
| 6 | .114 | 1.625 | 98.819 | | | |
| 7 | .083 | 1.181 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

The variance matrix indicating 80 % (statistically 65% variance valid) variance on tested variable, i.e 20 % of other factors are influencing on bike promotional activities.

Component Matrix^a

| | Component | |
|-------------------|-----------|-------|
| | 1 | 2 |
| 6.Attract | .892 | -.181 |
| 7.New Bike | .608 | .304 |
| 8.Service | .905 | .099 |
| 9.Price | .565 | -.506 |
| 10. Advertisement | .087 | .895 |
| 11. Prestige | -.406 | .948 |
| 12. Preference | .771 | .451 |

Extraction Method: Principal Component Analysis.a. 2 components extracted.

Inference: The most influencing factors on consumers with reference to Hero Bike Promotional factors are Service center availability and its efficiency after purchase of bike and, the second factor is Prestige issue for individual to buy Hero bike only .

H01: There is no significant impact on different schemes impact on Hero bike promotion and sales

Test Statistics

| | |
|------------|-----------------|
| | 5.Scheme |
| Chi-Square | 2.800a |

| | |
|-------------|------|
| df | 4 |
| Asymp. Sig. | .592 |

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

The above Chi square table significant value indicating that , the value is greater than 0.05, which is **accept the Hypothesis**, i.e the different promotional activities may not have huge impact on sales and it depends on customer income and spending capacity.

H02: There is a relation between prestige issue and bike buying through promotional activity

Test Statistics

| | |
|-------------|---------------------|
| | 11. Prestige |
| Chi-Square | 6.000a |
| df | 3 |
| Asymp. Sig. | .012 |

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.

The above Chi square table significant value indicating that , the value is less than 0.05, which is **Reject the Hypothesis**, i.e the type of company and its name and fame of the company obviously play a vital role in choosing of good bike.

Findings:

- Consumer prefer scheme Price discount 14% free gift is only 2%, Loan facilities 45%, 32% Coupons,7% they are asking other benefits. major people are asking for Loan facilities
- 24% people are looking for Low price,15% people are looking for 15%,12% people are going to like style,35% people are looking for Good service
- consumer awareness 55% people from Advertisement 25% people from internet 15% people from media,2% from friends,3 % people they know the information from other sources
- consumer feedback from 52% people Highly satisfied 22% people is normal satisfied,15% are Neutral,8% are Dissatisfied ,3% are Highly dissatisfied
- consumer the impact if advertisement while purchasing got while purchasing 16% are Highly satisfied ,32% is strong impact 36% is neutral, 15% Dissatisfied ,1% low impact company need to create Concentrate on company advertising on company promotion

Discussion of Results:

All these promotional strategies have impacted the buying behaviour of consumers significantly. This research concludes that adoption of the new product category of synthetic lubricants for two-wheelers have been as a result of such multi-pronged strategies of lubricants marketers to such an extent to force a relook into certain commonly held beliefs about the product category. Competition is very high in the market and hence change of strategy is undertaken like expansion with new tie ups to explore in rural as well as in the premium segments. For the future, in this stiff competition period, the players eye on customer satisfaction and after sales service. Technology plays a very crucial and elixir role for innovation product differentiation, quality improvement, new product development, add value creation to customers and key players in the market thus increasing the growth of the industry and relative market shares of the key players in the industry.

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