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## IMPACT OF ADVERTISING ON PURCHASE OF TWO-WHEELER - A STUDY WITH REFERENCE TO WOMEN IN CHENNAI

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**Abstract:** *The main aim of advertisement is to make people aware of the product produced by the company. The company produces the product mainly to meet and satisfy the needs of the customers. Advertising plays an important role on changing the consumer behavior and also provides new patterns for purchasing or using any type of goods and services. It is the most convenient way to reach the female consumers because they are more deployed by advertisement promises that the product will give them something special for satisfaction. The advertiser, the agency, the media and the consumers view advertising according to their desires, expectation and opportunities. Over the recent years, advertisements remain the favored method of sales promotion. Consequently, the challenge for an advertiser is to explore every possible avenue of making an advertisement more noticeable, attractive and impellent for consumers. This study brings the insights on the impact of ads in the purchase behavior of the two-wheelers among the women customers, and the output shall pave the way for rejuvenating the marketing and advertising strategy to tap the market on the wider range. Youngsters being the decision maker on purchase relies more on ads. Thus advertisement induces people to decide on purchases of a branded product.*

**Keywords:** *Advertising, Purchase Decision, Women Customers, Two-Wheelers*

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## **INTRODUCTION**

India is the second largest producer of the two-wheelers. The two wheeler segments contribute the largest volume amongst all the segments in automobile industry. The country stands next to China and Japan in terms of production and sales respectively. The industry is growing at 30 % annually. It consists of three segments: Scooters, motorcycles and moped. Majority of Indians, especially the youngsters prefer motorbikes rather than cars. Capturing a large share in the two-wheeler industry, bikes and scooters cover a major segment. Bikes are considered to be the favorites among the youth generation, as they help in easy commutation

## **INDUSTRY: PRESENT AND FUTURE TRENDS**

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 inconsonance 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.

## **EVOLUTION OF TWO-WHEELER INDUSTRY IN INDIA**

Two-wheeler segment is one of the most important components of the automobile sector that has undergone significant changes due to shift in policy environment. The two wheeler industry has been in existence in the country since 1955. It consists of three segments viz. scooters, motorcycles and mopeds. According to the figures published by SIAM, the share of two-wheelers in automobile sector in terms of units sold was about 80 per cent during 2003 -04. This high figure itself is suggestive of the importance of the sector In the initial years, entry of firms, capacity expansion, choice of products including capacity mix and technology,



all critical areas of functioning of an industry, were effectively controlled by the State machinery. The lapses in the system had invited fresh policy options that came into being in late sixties. Amongst these policies Monopolies and Restrictive Trade Practices (MRTP) and Foreign Exchange Regulation Act (FERA) were aimed at regulating monopoly and foreign investment respectively. This controlling mechanism over the industry resulted in: (a) several firms operating below minimum scale of efficiency; (b) under-utilization of capacity; and (c) usage of outdated technology. Recognition of the damaging effects of licensing and fettering policies led to initiation of reforms, which ultimately took a more prominent shape with the introduction of the New Economic Policy (NEP) in 1985. However, the major set of reforms was launched in the year 1991 in response to the major macroeconomic crisis faced by the economy. The industrial policies shifted from a regime of regulation and tight control to a more liberalized and competitive era. Two major results of policy changes during these years in two-wheeler industry were that the, weaker players died out giving way to the new entrants and superior products and a sizeable increase in number of brands entered the market that compelled the firms to compete on the basis of product attributes. Finally, the two-wheeler industry in the country has been able to witness a proliferation of brands with introduction of new technology as well as increase in number of players. However, with various policy measures undertaken in order to increase the competition, though the degree of concentration has been lessened over time, deregulation of the industry has not really resulted in higher level of competition.

### **KEY PLAYERS IN THE TWO-WHEELER INDUSTRY**

After facing its worst recession during the early 1990s, the two-wheeler industry bounced back with a 25% increase in volume sales in February 1995. The scooters are considered as family vehicles. There are many two-wheeler manufacturers in India. Major players in the two-wheeler industry are Hero Honda Motors Ltd (HHML), Bajaj Auto Ltd (Bajaj Auto) and TVS Motor Company Ltd (TVS). 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) and Honda Motorcycle & Scooter India (P) Ltd (HMSI).



## REVIEW OF LITERATURE

*Ciochetto (2004)* The advertisers find it more effective to use television rather than print media to reach consumers, partly due to low literacy rate.

*Dubey & Patel (2004)* All the products used by a customer are not necessarily those of advertisements they liked. The key lies not only in the attractiveness of the advertisements, but also the interest of the target.

*Chandok (2005)* The television medium is the most attractive and important place to advertise. Most of the young people remain glued to the television and enjoy what they see. As a wide range of products and services are consumed or used by children, many companies tend to target them.

*Kavitha (2006)* the advantage of television over the other mediums is that it is perceived as a combination of audio and video features; it provides products with instant validity and prominence and offers the greatest possibility for creative advertising.

*Shashidhar & Adivi (2006)* The teenagers have become a strong influencing group and even have the ability to influence the purchase decisions in the family from cakes to cars.

*Selvaraj (2007)* Rural consumers are fundamentally different from their urban counterparts socially, psychologically, physiologically and literally.

*Kashyap & Raut (2008)* The total size of rural market is 123000 crore, which includes 65,000 crore FMCG and 5,000 crore durables, 45,000 crore agri inputs and 8,000 crore two and four wheeler's market. The size of rural market is bigger than the urban for both FMCG and durables as it accounts 53 and 59 percent of the market share respectively.

*Datta (2008)* Advertising is the non-personal communication of the information usually paid for and persuasive in nature about products, services or ideas by identified sponsors through the various media.

*Etzel et al (2008)* the majority of the marketers use mass media for their marketing communications. The choice of media is dependent upon the nature of the message and the intended target audience.

*Kotwal et al(2008)*While purchasing cosmetics, toiletries, stationary, gifts and cards, the girls give importance to informational input by the TV advertisements into their decision to buy. It was also found that girls had positive attitude towards TV commercials.

*Vinod Kumar Bishnoi & Ruchi Sharma (2009)* This study aims to establish whether the



residential background of consumers has a varying influence on their buying decisions due to the influence of TV advertising. The study was conducted on 866 teenagers of Haryana (431 male and 435 female). The urban teenagers do not buy TV advertised products if they do not require those brands. They also like the advertisements of the products that they are using and believe that products are as good as expected from TV advertisements.

### **OBJECTIVES OF THE STUDY**

- ↑ To know consumer behavior for purchase of two wheeler bike.
- ↑ To study the impact of media and advertisement on two wheeler purchase.
- ↑ To identify the prime factors that influences on consumer decision.
- ↑ To know level of satisfaction towards the product and the service provided, so as to identify the possible areas of improvement.

### **NEED FOR THE STUDY**

In the recent walks of life advertisements play a major role in every purchase of products right from FMCG till consumer durables. Two wheelers have become mandatory in this materialistic life especially for women in order to cater to their needs related to work life and personal life. Any customer before making a purchase decision refers much number of factors and parameters out of all those advertisements are of prime importance. In this regard this study aims in ascertaining impact and the extent to which the advertisement plays a role and influences the purchase decision of the women customers in the prime metro Chennai.

### **SCOPE OF THE STUDY**

This research brings out the real reach of advertisements in the two wheeler segment related to women customers. It will highlight the impact of advertisement in the purchase decision and also the other prime factors that plays a role. The research also brings out the effective medium of advertising and these outcomes shall pave the way for the two wheeler market players to focus and enhance their promotional measures especially related with advertisements in order to assist the customers in purchase decision effectively. The market players can also enhance their advertisements to have a wider reach.



## RESEARCH METHODOLOGY

Research can be defined as the search for knowledge or any systematic investigation to establish facts. The primary purpose of *Descriptive research* is to provide an accurate description or picture of the status or characteristics of a situation or phenomenon and hence the same is adopted in this study. The *convenience sampling* method is followed in order to collect the data through the structured questionnaire from the respondents. The *sample size* so arrived at is **270** respondents using cronbach's method. In this research the pilot study is been conducted with 10% of the sample size i.e. 27 and the feedback based corrections are incorporate in the questionnaire and taken for the final survey.

## LIMITATIONS

- Time and Cost as the prime constraints
- Biased answers and responses from the respondents.
- Limited boundaries as the study was conducted in Chennai.
- Can't standardize the advertising campaign approach and evaluation methods.

## DATA ANALYSIS – RESULTS AND DISCUSSIONS

**Table No.1 - Customers' opinion towards the Factors influencing the purchase decision & its level of Importance.**

Level of Importance → Features ↓	Highly Important		Important		Neither Important nor Unimportant		Unimportant		Highly Unimportant	
	NOR	%	NOR	%	NOR	%	NOR	%	NOR	%
Services	146	54.07	67	24.81	39	14.44	8	2.96	10	3.70
Mileage	108	38.52	78	28.89	49	18.15	22	8.15	13	4.81
Speed/Pickup	93	34.44	98	36.30	50	18.52	19	7.04	10	3.70
Outlook	100	37.03	109	40.37	44	16.30	12	4.44	5	1.85
Color	110	40.74	97	35.93	53	19.63	12	4.44	8	2.96
Brand	140	51.85	60	22.22	42	15.56	27	10	1	0.37
Price	106	39.26	73	27.04	56	20.74	28	10.37	7	2.59
Weight	79	29.26	117	43.33	59	21.85	14	5.19	1	0.37
Seating Comfort	66	24.44	131	48.52	52	19.26	15	5.56	6	2.22
Brand Goodwill	124	45.93	101	37.41	29	10.74	12	4.44	4	1.48



**Table No. 2 - Satisfaction level of Customers w.r.to follg. feature in their two-wheeler.**

Level of satisfaction Features	Highly Satisfied		Satisfied		Neither Satisfied nor Dis-Satisfied		Dis-Satisfied		Highly Dis-Satisfied	
	NOR	%	NOR	%	NOR	%	NOR	%	NOR	%
Speed	85	31.48	115	42.59	30	11.11	18	6.67	22	8.15
Mileage	111	41.11	97	35.93	32	11.85	17	6.30	13	4.81
Weight	125	46.30	93	34.44	28	10.37	13	4.81	11	4.07
Driving Comfort	87	32.22	107	39.63	43	15.93	19	7.04	14	5.19
Design	116	42.96	79	29.26	58	21.48	13	4.81	4	1.48
Color	76	28.15	110	40.74	54	20	17	6.30	13	4.81
Outlook	102	37.78	106	39.26	40	14.81	17	6.30	5	1.85
Seating Comfort	119	44.07	105	38.89	26	9.63	13	4.81	7	2.59
Road Grip	99	36.67	137	50.74	17	6.30	11	4.07	7	2.59

**Table No.3 - Customer's Favorite bike ads**

S.NO	Particulars	No respondents	% respondents
1	Bajaj	33	12.23%
2	Mahindra	23	8.52%
3	Honda	60	22.23%
4	Yamaha	25	9.26%
5	Suzuki	12	4.44%
6	Kinetic	19	7.04%
7	TVS	70	25.92%
8	Others	8	2.96%
9	Honda & TVS	3	1.11%
10	Bajaj, Mahindra & TVS	3	1.11%
11	Bajaj, Mahindra & Honda	3	1.11%
12	Yamaha & Suzuki	3	1.11%
13	Mahindra, Kinetic &TVS	2	0.74%
14	Mahindra & TVS	2	0.74%
15	TVS & Others	2	0.74%
16	Mahindra, TVS & Others	2	0.74%
		270	100



**Table No.4 - Factors that affects and influences the Purchase Decision of the customer.**

S.NO	Particulars	No respondents	% of respondents
1	Content in ads	27	10.00%
2	Product highlights	83	30.75%
3	Product demo	43	15.93%
4	product in use	50	18.52%
5	Customer feedback	39	14.44%
6	others	12	4.44%
7	Product highlights, product in use	4	1.48%
8	Product highlights, Product demo, Customer feedback	3	1.11%
9	Product highlights, Product demo	2	0.74%
10	Content in ads, Product demo	2	0.74%
11	Product highlights, Customer feedback	2	0.74%
12	Content in ads, Product highlights	2	0.74%
13	Product highlights, Product demo, product in use	1	0.37%
		270	100

**Table No.5 - Customer Opinion towards POP ads, display and live experience of the product influence in their purchase decision**

S.NO	Particulars	No respondents	% of respondents
1	Yes	50	18.52%
2	Yes to some extent	133	49.26%
3	No	51	18.89%
4	Not at all	36	13.33%
		270	100

## STATISTICAL ANALYSIS

### Chi-Square Test 1 - Relationship between Age and brand

*H0* -> There is no significant relationship between Age of the respondents and the brand of Two-Wheeler they own.

*H1* -> There is significant relationship between Age of the respondents and the brand of Two-Wheeler they own.



Age of Respondent

Age ( in yrs.)	Observed N	Expected N	Residual
<21	93	67.5	25.5
22-31	119	67.5	51.5
32-41	42	67.5	-25.5
>42	16	67.5	-51.5
Total	270		

Brand they Use

Brands	Observed N	Expected N	Residual
Bajaj	14	33.8	-19.8
Kinetic	22	33.8	-11.8
Tvs	131	33.8	97.3
Mahindra	10	33.8	-23.8
HONDA	74	33.8	40.3
Suzuki	8	33.8	-25.8
Yamaha	7	33.8	-26.8
Others	4	33.8	-29.8
Total	270		

Test Statistics

	age of respondent	brand they use
Chi-Square(a,b)	97.852	427.659
Df	3	7
Asymp. Sig.	.000	.000

**Result:** Ho Rejected and H1 accepted which states that, there is significant relationship between Age of the respondents and the brand of Two-Wheeler they own.

**Chi-Square Test -2** Relationship between Income of the Respondent and Mode of Purchase

*H0* -> There is no significant relationship between Income of the respondents and the Mode of purchase.

*H1* -> There is significant relationship between Income of the respondents and the Mode of purchase.



Income of the respondent

Income (Lac)	Observed N	Expected N	Residual
<3	115	67.5	47.5
3-5	97	67.5	29.5
6-7	45	67.5	-22.5
7>	13	67.5	-54.5
Total	270		

Mode of purchase

	Observed N	Expected N	Residual
cash	192	135.0	57.0
credit	78	135.0	-57.0
Total	270		

Test Statistics

	Income of the respondent	Mode of purchase
Chi-Square(a,b)	97.822	48.133
df	3	1
Asymp. Sig.	.000	.000

**Result:** Ho Rejected and H1 accepted which states that, there is significant relationship between Income of the respondents and the Mode of purchase.

**SUMMARY OF FINDINGS**

- Most (44.07 %) i.e. 119 respondents belong to the age group of 22-31 yrs. With (37.04 %) 100 respondents are under graduates.
- Most (42.59 %) i.e. 115 respondents' family income is less than 3 lakhs
- Most (48.52 %) 131 respondents use TVS brand two-wheelers.
- Majority (79.26 %) 214 respondents have 1-2 two-wheelers at their home.
- Most (36.67 %) 99 respondents' source of awareness of brand is by friends/relatives.
- Most (38.52 %) 104 respondents are influenced by their parents, and Majority (71.48 %) 194 respondents' mode of purchase is through cash.
- Majority (54.07%) i.e. 146 respondents feel that service is highly important for their purchase decision.



- Mileage, Speed/Pickup, Outlook, Colour, Brand and Price are highly important for their purchase decision, whereas the weight and seating are given important.
- Mileage, Weight, Driving comfort, design and seating comfort are the facts where the respondents are highly satisfied with their two wheelers.
- Most (40.74%) i.e. 110 respondents, (39.26%) i.e. 106 respondents are satisfied with respect to the color and Outlook of their two-wheeler.
- Most (50.74%) i.e. 137 respondents, (42.59%) i.e. 115 respondents, are satisfied with respect to the road grip and Speed of their two-wheeler.
- Majority (65.56 %) 177 respondents prefers service centre of their brand, and (55.56 %) 150 respondents are satisfied with their two-wheeler service.
- Majority(85.19 %) 230 respondents feel that advertisements play a main role in buying two-wheeler.
- Most (46.30 %) 125 respondents feel that there is a high impact of advertisements in their purchase decision.
- Most (25.19 %) 70 respondents feel TVS bike advertisement as their favorite advertisement.
- Majority(54.44 %) 147 respondents feel that impact of celebrity endorsement in the ads of their brand is normal.
- Majority(51.85 %) i.e. 140 respondents feel that ads' frequency influences their minds favorably, and (51.85 %) i.e. 140 respondents feel that ads' frequency influences their minds favorably.
- Majority(80 %) 116 respondents feel that demo/ test drives are important to promote bikes.
- Most (49.26%) 133 respondents feel that the POP ads, display and live experience of the product influence in their purchase decision to some extent.
- Majority (77.04%) 208 respondents are not interested in change of brand.

## **SUGGESTIONS**

- The respondents are the youngsters (20-30 yrs of age) and forming part of the middle income group, this shall be highlighted in the advertisements.



- The Mode of purchase is through cash for most of the respondents, and there is a huge vacuum for the financial institutions to provide credit facilities at affordable interest rates to boost up sales volumes.
- Since most of the respondents are first owner of their bikes, they can be retained with introduction of free service camps in residential areas and work places.
- The factors like service, mileage, initial pick-up, outlook, colour, seating comfort and brand image are much sought after by the customers in making their purchase decision, and they are satisfied with these factors in TVS bikes than others.
- The company service centres are given first priority and to retain that, the service centres should adhere to the timely delivery of the vehicles.
- The advertisements play a vital role in their purchase and hence the frequency of ads shall be increased to create a rapid impact in their minds that lasts for a long time.
- Since the celebrity endorsement creates only a normal impact in their purchase decision, the management shall focus on the reality and concentrate on the direct users projection in the ads and their opinion towards the bike to capture the potential customers.

## **CONCLUSION**

The study based on clear-cut objectives had been progressed with proper collection of relevant data and analysed with tables & graphs, the data are also tested with appropriate tools and techniques to arrive at reliable results. The market players in the two wheeler segment that focuses on the female customers as their target, if considers the given findings and suggestions accordingly and implement it based on the feasibility that suits to their firm, its for sure that they can create effective and appealing advertisements and attract the potential customers and widen their market base in future.

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