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### A study on consumer preference towards Royal Enfield in Gudalur Taluk

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#### Abstract

The automotive industry in India is one of the largest in the world and one of the fastest growing globally. India manufactures over 18 million vehicles (including 2 wheeled and 4 wheeled) and exports more than 2.3 million every year. It is the world's second largest manufacturer of motorcycles; there are eight key players in the Indian markets that produced 13.8 million units in 2017-18.

The Indian two wheeler industry has come a long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa scooters in India. Since then, the customer preferences have changed in favor of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expenses of metal-bodied geared scooters and mopeds. These changes in customer preferences have had an impact on the fortunes of the players. The erstwhile leaders have either perished or have significantly lost market share, whereas new leaders emerged.

**Keywords:** Automotive, customer, preference, satisfaction

#### 1. Introduction

At present the dominant products of the automobile industry are two wheelers with a market share of over 75 percent and passenger cars with a market share of about 16 percent commercial vehicles and three wheelers share about 9 percent of the market between them. The industry has attained a turnover of more than USD 35 billion and provides direct and indirect employment to over 13 million people. The Indian two wheeler industry has come a long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa scooters in India. Since then, the customer preferences have changed in favors of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expenses of metal-bodied geared scooters and mopeds.

These changes in customer preferences have had an impact on the fortunes of the players. The erstwhile leaders have either perished or have significantly lost market share, whereas new leader emerged. With an expanding market and entry of new player of last few years, the Indian two wheeler industry is now approaching a stage of maturity. Previously, there were only a handful of two wheeler models available in the country. Currently, India is the second largest producers of two- wheeler in the world. There are many two wheeler manufacturing company in India. The major players in the 2 wheeler in industry are Hero Honda, Bajaj Auto Ltd, TVS Motor Company Ltd and Honda Motorcycle and Scooter India, private limited (HMSI) accounting over 93 percent of the sale in the domestic two wheeler market. It is noteworthy that motorbikes segment's share is just below 80 percent of the total 2W market in India which is dominated by Hero Honda with a market share of 59 percent. Scooter segment's market share is about 18 percent which is led by Honda Motorcycle and scooter India, private limited (HMSI) with a market share of 43 percent. Three fourth of the total exports in the two wheeler automobile industry are made in the motorcycle segment. Exports are made mainly for south East Asian and SAARC nations. The level of technology change in the motor vehicle industry has been high but, the rate of change in technology has been medium.

Consumers are very important for the survival of the motor vehicle manufacturing industry. In 2008-09, customer sentiment dropped, which burned on the augmentation in the demand of cars. The key to success in the industry is to improve labour productivity, labour flexibility and capital efficiency. If a customer experience of a product or dealer service exceeds his/her expectations, then the exceed amount will equal satisfaction and conversely, if the customer's experience falls short of expectation, the short fall will be equal dissatisfaction. Thus, customer satisfaction is the art of managing customer expectation and experience.

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Many companies are fighting for share of flat or fading markets. Thus, the cost of attracting new customer is rising. In fact, it costs five times as much to attract a new customer as it does to keep a current customer satisfied.

It has been more than 50 years now that bikes have been ruling the Indian automobile sector. In 1955 the Indian government needed sturdy and reliable motorcycles for its army and police to patrol the rugged border highways. The first batch of 350cc Bullet the super bike in India of all times, from the Royal Enfield Company of UK were received and assembled at Chennai. Since then, bikes in India have been flourishing as a two wheelers segment and Indian bikes gaining popularity all across the world. Talking of bikes cc, bikes having four-stroke engines are thought to be more fuel efficient motorbikes. They are the main reason for the growth of motorbikes in India as a segment. Indian bikes market share is about 81.5 percent of the total two wheeler market in India. Three-fourth of the total exports in the two wheeler automobile industry is made in the motorcycle segment.

This study on customer satisfaction is being associated with one of the leading two wheeler company the Royal Enfield. The problem it is facing in the present market scenario. This project evaluates the various factors that keep the customer satisfied. It also evaluates the various factors that influence a customer to buy the bullet. While selecting a bullet various aspects that have to be given a thought with respect to Brand image, Color, Fuel-efficiency, Technology used, etc.

### **1.1 Objectives of the Study**

- ❖ A study on consumer preference towards Royal Enfield in gudalur taluk.
- ❖ To study over the level of satisfaction of the consumers.
- ❖ To give appropriate suggestion to improve the customers satisfaction

### **1.2 Statement of Problem**

Royal Enfield is a company which started its business in 1948 with its product such as bullet and has been a prestigious brand and lived up to its name like a royal till date. Royal Enfield has done quite well all over the world but it has done marvelous business in South India, As the competition from several 100cc two-wheelers is rising, it is very interesting to know whether the current customers of Royal Enfield Bullet are happy with the brand and their opinion about various attributes of Royal Enfield Bullet and their satisfaction.

### **1.3 Research Methodology**

The objective of the present study is to understand a study on consumer preference towards Royal Enfield in gudalur taluk and also to find out the consumer preferences, satisfaction level to know about their Royal Enfield. The researcher adopted a sampling technique where the population is based on easy availability. This sampling method is called convenience sampling. A sample of size 100 is taken for this study. In this study, the researcher uses two methods for data collection. They are Primary data collection and Secondary data collection. The statistical tests used in the study Simple Percentage analysis method. The study was conducted during the year 2016 - 2017.

### **1.4 Limitations of the Study**

The study was restricted to gudalur taluk only data. The

number of the respondents was being only 100.

### **2. Review of Literature**

M. Sathish (2011)<sup>[1]</sup> in their study "A Study on Consumer Switching Behavior in pulsar Provider with reference to Chennai" stated that Indian mobile market is one of the fastest growing markets and is forecasted to reach 868.47 million users by 2013. India has seen rapid increase in the number of players which caused the tariff rates to hit an all time low. This allowed the players to target the low income population thereby increasing the market share. The availability of a number of subscriber options for consumers and varied tariff rates of each player, lead the consumers to switch between service providers. The objectives of the study are to find the factors that influence the consumers in switching the service provider and to delve into finding out the likeliness of switching the service provider. The type of research used for this study is descriptive research design. The area covered under this study was Chennai due to availability of well mixed population base in Tamil Nadu. A well structured questionnaire was designed and administered to collect samples across Chennai. Due to high population and need for variety of respondents, Cluster Sampling method was chosen. The sample size was 112. The variables considered for the study are Consumer demographics, Consumer satisfaction with existing service provider, Factors influencing the switching behaviour and factors that affect the switching behaviour of consumers and these were grouped into 4 categories namely customer service, service problems, usage cost and others. The results from the study reveal that call rates plays the most important role in switching the service provider followed by network coverage, value added service and customer care while advertisement plays the least important role.

G.V. Venela (2009)<sup>[4]</sup> India is a vast country with a burgeoning population that is more than 1 billion and is next only to China. Around 72% of the Indian population is living in rural areas and forms around 12.2% of the world population, an indication that about 120 million households live in rural India out of which most of them are dependent on agriculture and agree-related activities for their livelihood and many of them are illiterate and people below poverty line (BPL). Through the life styles of the rural masses have undergone a sea change with the increased infrastructural facilities, application of modern techniques in cultivation, and better access to urban areas, the situation in India is still not rosy. However, of late, the situation has changed drastically with even Multi-National Companies (MNCs) competing keenly for a share in the rural markets. This is welcome news for the rural consumer who has been ignored by the corporate world from time immemorial. Rural Marketing can be defined as the activities taking place in rural markets to influence the rural consumers to buy specific products or services for satisfying their needs and wants by conveying message through print, electronic and mass media.

A key element in marketing strategy is brand name. It is extremely difficult to establish a successful brand name, but once a brand name is established, it is an invaluable asset. Marketing activities exert an enormous impact on individuals. Consumer behavior is relevant to our understanding of both public policy issues and the dynamics of popular culture. A sound understanding of consumer behavior is essential in the long run success of any

marketing program. Marketers try to satisfy consumer needs, but the reason why any product is purchased can vary widely. The identification of consumer needs and expectations is an important step towards ensuring that the

appropriate needs will be met by a product.

### 3. Data Analysis and Interpretation

#### 3.1 Age Group of the Respondents

Sl. No	Age	No. of the respondents	Percentage
1	Below 20	10	10
2	21 to 30	19	19
3	31 to 40	52	52
4	41 to 50	16	16
5	Above 51	3	3
Total		100	100

Source: Primary data

From the above table most of the respondents belonging to the age group of 31 to 40 years. 19 percent of the respondents are 21- 30 years. 16 percent of the respondents the age group of above 31 to 40 years and 10 percent of the respondents' age group below 20. It is concluded from the

above table that, the majority of the respondent belongs to the age group of 31-40 years.

#### 3.2 Vehicle Usage of the Respondents

Sl. No	Usage	No. of the respondents	Percentage
1	Business	50	50
2	Personal	20	20
3	Both	30	30
Total		100	100

Source: Primary data

From the above table shows that the vehicle usage the majority of the respondent in Business purpose only and the followed by both 30 (30 percent), Personal use only the respondent 20 (20 percent). Majority of the respondents are

usage in business purpose.

#### 3.3 Level of Satisfaction of the Consumers

Sl. No	Level of Satisfaction	No. of Respondents	Percentage
1	Highly Satisfied	20	20
2	Satisfied	66	66
3	Neither satisfied nor dissatisfied	10	10
4	Dissatisfied	4	4
5	Highly Dissatisfied	-	-
Total		100	100

Source: Primary data

From the above table slows that it is inferred that 66 percent of the respondents are satisfied with the preference of Royal Enfield bikes, 20 percent of the respondents are rating highly satisfied, with the preference of Royal Enfield, 10 percent of the respondents are rating neither satisfied nor

dissatisfied with the preference of Royal Enfield, Remaining 4 percent of the respondents are rating dissatisfied with the preference of Royal Enfield.

#### 3.4 Preferences of Royal Enfield Bikes

Sl. No	Preference	No. of Respondents	Percentage
1	Mileage	21	21
2	Features	35	35
3	High resale value	24	24
4	Brand image	16	16
5	Reasonable price	4	4
Total		100	100

Source: Primary data

From the above table 4 shows that 35 percent of the respondents are rating feature as an important factor, 24 percent of the respondents are rating high resale value as an important factor, and 21 percent of the respondents are rating mileage as an important factor, Remaining 16 percent of the respondents are rating brand image as an important

factor, 4 percent of the respondents are rating reasonable price as an important factor with preferring Royal Enfield bikes.

#### 3.5 The respondent know about this motorcycle

Sl. No	Particulars	No. of Respondents	Percentage
1	Price	23	23

2	Mileage	15	15
3	Brand image	19	19
4	Resale value	8	8
5	Status symbol	6	6
6	Technology	29	29
Total		100	100

Source: Primary data

From the above table shows that 29 (29 percent) of the respondent Like the Technology, the followed by accepted the price 23 (23 percent), and the rest of remaining percentage. Thus it is concluded that the above table

Technology only good 29 (29 percent).

### 3.6 Levels of Satisfaction Royal Motors

Sl. No	Particulars	No. of Respondents	Percentage
1	Pick up	19	19
2	Travelling\ comfort	20	20
3	Service	23	23
4	Insurance	15	15
5	Road grip	18	18
6	Shock up spacer	05	05
Total		100	100

Source: Primary data

From the above table shows that 23 percent of the respondent like the Service, 20 percent of the respondent were like travelling comfort, 19 percent of the respondent were like in Pickup, 18 percent of the respondent were road grip and 5 percent of the respondent were like in shock up spacer.

### 4. Findings

The majority of the respondent belongs to the age group of 31-40 years. Majority of the respondents are usage in business purpose. It is inferred that 66 percent of the respondents are satisfied with the preference of Royal Enfield. The majority of the respondents prefer brand color like green and black. Most of the consumer purchase brand in Royal Enfield technology and style. The majority of the respondents' preference the brand based on the feature, services and high resale values. Most of the respondents are like recommend other to buy Royal Enfield. Most of the respondent influenced factor of Royal Enfield brand and quality. Most of the respondents are more attractive by the slow display.

### 5. Suggestions

- Marketing Communication should focus on satisfying the needs for Respect, Power and Comfort. A non-flamboyant well-built brand ambassador may be chosen to represent the Brand.
- The respondents found difficulty in Royal Enfield when they go for short travel. The respondents not have good impression about mileage and resale value of the vehicle. Hence the company may consider to improving its technical aspects.
- All the respondents have bought their vehicle by ready cash only because of the interest rate they have to pay for. Therefore the company may arrange some low interest installment scheme.
- Mostly young age people alone have interest in Royal Enfield and others don't have interest in this vehicle because of its weight. Hence the company may try to reduce the weight of this study.

### 6. Conclusion

The purpose of this study on customer preference will help us to understand the needs and wants of the customers towards Royal Enfield. The study could provide appropriate and timely information about the position of preference level of customer towards Royal Enfield. As the objectives of this study is to analyze the customer preference and to find out the customer satisfaction level towards the iconic brand Royal Enfield. This study also investigate the services and factors which influence the customers to purchase the Royal Enfield bikes and also identify what customers are expecting from the Royal Enfield.

To know about the customer Preference and factor which influence the customer's preference in buying decision process. Customer preference is influenced strongly by culture, social, personal and psychological factors. For this purpose, 120 customers were selected and obtained the various responses based on the questionnaire method. By and large it was found that most of the customers are choosing Royal Enfield vehicles because of its Vehicle Appearance, pickup, good models and engine appearance etc.

The study has helped Royal Enfield bullet dealers to understands whether the customers are satisfied are not. If not what are the main reason for dissatisfaction of customer towards the dealers and what are all the ways to improve the satisfaction level of customer towards dealer. We can come to conclude younger generation and middle age are more interested in Royal Enfield Bullet, the buying behavior is governed predominantly by the need for power and respect for the iconic Brand and users are mostly professional males, 20-35 years of age, including some students. Most of the customers are attracted to newly release classic 350/500, also customers are easily affording the price of Royal Enfield bike and customers are very loyal towards the brand Royal Enfield bullet. Royal Enfield should concentrate on its advertising campaign to reach the customer the millage of Royal Enfield Bullet Bikes is very economical and most of them prefer to buy there Bike Brand new from showroom with the spare parts available in market easily. Royal

Enfield Bullet has an excellent satisfaction with in the customer for its sound, comfort, and safety.

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