

Factors Influencing the Buying Behaviour of Two- Wheelers by College Youth in Aizawl: An Exploratory Study

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Abstract

Automobile industry is one of the major industries in the global market and is considered to be the key driver of growing economy due to its leading product and process technologies in the manufacturing sector. In India, automotive is one of the largest industries which shows remarkable growth over the years and has drastically contributed to the overall industrial development of the country. Two-wheelers segment is one of the most important components of automobile industry witnessing an unprecedented growth and currently India is the second largest producer of two-wheelers in the world. The paper tries to identify the most important factors influencing the college youth buying behavior of two-wheelers in Aizawl. A questionnaire survey method was employed as the basic research method in this study. Data were collected from primary as well as secondary sources. Primary data were collected by using structured questionnaires which were directly distributed to the respondents and collected from them at the time of their convenience. The main results of the study specified that popularity of the brand plays an important role in buying the two-wheelers. Youth prefers to buy two-wheelers whose brand is well known by others.

Introduction

Automobile industry is one of the major industries in the global market and is considered to be the key driver of growing economy due to its leading product and process technologies in the manufacturing sector. In India, automotive is one of the largest industries which shows remarkable growth over the years and has drastically contributed to the overall industrial development of the country. Two-wheelers segment is one of the most important components of automobile industry witnessing an unprecedented growth and currently India is the second largest producer of two-wheelers in the world. In the last few years, the country has observed a magnificent growth following China and Japan in terms of production and sales respectively. Consistency in growth of Two-wheelers market in India is due to foreign collaborations especially with the Japanese firms.

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Two-wheelers markets in India comprises of three main types of vehicle viz. motor cycles, scooters and mopeds. Apart from this, firms have started manufacturing new categories such as 'Step Thrus' and 'Scooterettes' by combining two or more two-wheelers segment. Among the three existing segment, major growth trends have been experienced in motorcycle segment over the last four to five years. Increase in demand for this particular segment is considered due to its resistance and balance even on bad road condition having transportation problems in rural areas.

Numerous players existed in the Indian Two-wheelers market such as Bajaj Auto, Hero MotoCorp formerly known as Hero Honda, Yamaha Motors, TVS Motors, Suzuki Motors, Royal Enfield, Honda Motors, Kinetic, LML India, Mahindra Two-wheelers, Hyosung, Ducati, KTM, Electrotherm and MontoMotors. However, the Two-wheelers market in India is a fast growing market due to its technological advancements in product manufacturing and emphasis on design innovation.

According to the report which was published by Society of India Automobile Manufacturer (SIAM), sales numbers for Q1 FY 2014-15 reveal that the domestic Indian two-wheeler industry has grown by a healthy 13.70 percent compared to 2013-2014, selling a total of 3,968,967 units. The top four players in the market are Hero MotoCorp, Honda Motorcycle & Scooter India (HMSI), Bajaj Auto and TVS Motor Company. Hero's market share for Q1 FY2014-15 stands at 42.29 percent as against 43.77 percent a year ago. Standing out was HMSI, which primarily ate into the market shares of industry leader Hero MotoCorp and also Bajaj Auto. Honda registered domestic sales of 953,501 units during Q1, up by an impressive 34.15 percent over 710,774 units sold during Q1 of the last fiscal. With this, HMSI's market share has jumped up by 3.66 percentage points to 24.02 percent (Q1 FY2013-14: 20.36 percent).

Particularly in Aizawl, the capital city of Mizoram, the two-wheelers market is flourished with different brands through their respective authorized dealers such as Khaia & sons For Hero Motocorp, Hauva Honda for Honda Motorcycle and Scooter India, Tlau TVS for Tvs Company, Thansanga & Sons for Yamaha, Zamliana two-wheelers for Mahindra two-wheelers, Lawma Enfield for Royal Enfield, Standard Motor works for Bajaj Automobiles and KTM, Highland for Hyosung and CK Cars for Vespa. Apart from the sales of each dealer, the growth of Two-wheelers market may be influence by the second-hand market such as RC Bike Bazaar and LBS Bike Bazaar.

Conceptual Framework

The concept of the present study has been taken from Kathiravanaet al.(2010), Chadha (2011), Laldinliana (2012). Kathiravanaet al. (2010) has dicussed about the effects of fuel efficiency, style and design, brand image, price, power and pick up, durability, maintenance cost, resale value, add on features and environment friendly on buying behavior of two-wheelers. The data obtained were analyzed using factor analysis to find

out the key components in the study. Chadha (2011) has discussed fuel efficiency, brand name and safety as factors influencing buying behaviour of consumers of two-wheelers. Laldinliana (2012) has discussed the effects of durability, word of mouth, after sales service, promotion, appearance and word of mouth on buying behaviour of two-wheelers. Following the past researchers and including own derived variables, the current study has considered the impact of price, color, celebrity, mileage, power, body design, brand image, road shows and sales promotions on buying behaviour of two-wheelers; followed by factor analysis to identify the key factors preferred by the customers on buying two-wheelers.

Review of Literature

A review of previous studies has revealed that numerous studies have focused on the consumer buying behavior. The buying behavior of a consumer can be influenced by both the product and the consumer characteristics (Zhu and Zhang, 2009). Dhananjay Data (2010) in his study found that there are many factors on which the consumer buying behavior depends and all of these factors namely advertisement, word of mouth, references from family, friends, own experience, features, price, etc. motivates the consumers to buy two-wheelers. In the same way Kathiravana et al. (2010) had considered 10 important attribute such as fuel efficiency, style and design, brand image, price, power and pickup durability, maintenance cost, resale value, add on features and environment friendly to analyze the consumer evaluation of product attributes of two-wheelers. Subsequently Chadha(2011) found that fuel efficiency, brand name and safety are the three most important factors influencing the buying behavior of consumers on two-wheelers. Laldinliana(2012) in his study observed that promotion was considered to be the most important factor for buying two-wheelers which was followed by durability, after sales service, appearance and word of mouth respectively in descending order. Devaki and Balakrishnan(2013) observed that Hero Honda users gave more importance to factors like price which is followed by mileage, stylish look and brand image. Women, in particular, their two-wheelers purchases were driven by different factors such as preference, attitude, decision making and satisfaction (Murugan and Shanty, 2014). Furthermore, women preferences were strongly affected by a variable such as product performance whereas their attitudes were constructed by promotional schemes and utilitarian benefits, decision makings were based on personal factors and product characteristics while product aspects and value added benefits provides satisfaction for the women two-wheelers consumers in India.

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Objectives of the Study

The paper tries to identify the most important factors influencing the college youth buying behavior of two-wheelers in Aizawl.

Research Design

a. Population of the study : The students of all the selected five colleges in Aizawl which represents the college youth from different zones of the city that is north, south, east, west and central zones, who owns as well as drives a two-wheelers for going to college were selected as the population of the study.

b. Sample of the study : 50 college youth who owns as well as drives two-wheelers from each of the selected college (total 250) were included in the sample of the study.

c. Sampling design : To get the desired sample stratified random sampling was used under which study area was first divided into five zones North, South, East, West and Central. A college representing each zone of the city i.e., North, South, East, West and Central were selected randomly. In this way, Aizawl North College from North Aizawl, Govt. Aizawl College from South Aizawl, Pachhunga University College from East Aizawl, Govt. Aizawl West College from West Aizawl and Hrangbana College representing Central Aizawl were selected. Further, 50 youths from each college were selected based on simple random samplings, giving a sample size of 250.

d. Data collection : Data were collected from primary sources as well as secondary sources. The study used customer survey as a tool of collecting primary data. A comprehensive questionnaire was designed and administered to the college youths and they were mostly contacted at the college based on their convenience. Data were collected during February-June 2014. Five point interval Likert scale ranging from '1= Strongly Disagree' to '5= Strongly Agree' were used to scale the questions because this scaling technique is suitable for self-administered survey method (Hair, Bush and Ortinau, 2004). In addition to primary data, the secondary data are gathered from books, journals, reports, governmental organizations, magazines, websites and business houses.

Results and Discussion

a. Demographic Profile of the Respondents

Table 1 describes the demographic characteristics of the respondents. A total sample of 250 was considered for the study an out of that 77.6 percent of the respondents were male, 76 percent of the respondents belongs to the age group of 20-24 years and 70.8 percent were living in the family having a total income of Rupees 1-3 lakh per annum.

Table 1
Demographic Profile of the Respondents

Demographic variables		Number of Respondents	Percentage
Gender	Male	194	77.6
	Female	56	22.4
	TOTAL	250	100
Age	15-19 years	53	21.2
	20-24 years	190	76.0
	25-29 years	7	2.8
	Above 30 years	0	0
	TOTAL	250	100
Family Income	1-3 lakh	177	70.8
	3-5 lakh	48	19.2
	5-8 lakh	12	4.8
	8- 10 lakh	8	3.2
	Above 10lakh	5	2.0
	TOTAL	250	100

Source : Field Survey

Mean, Standard Deviation and Reliability Value

Table 2 analyse the different factors for buying two-wheelers along with their mean, standard deviation and reliability. The reliability of the variables was measured using Cronbach's Alpha. The purpose of the reliability measure is to test the internal consistency of the items within the variable. The variables yield a reliability of 0.69 which is still considered acceptable marking that Cronbach (1951) stated that a value higher than 0.5 was acceptable level for good internal consistency even though Nunnally(1978) state that the values for Cronbach's alpha of 0.7 or higher is satisfactory.

Table 2
Mean, Standard Deviation and Reliability Value

Sl. Statement No.	Mean	Std. Deviation	Cronbach's Alpha
1 I make the buying decision based on the price of two-wheelers advertised.	3.53	.917	0.69

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2	I choose the color of my two-wheelers from the advertisement I have seen from different media.	3.36	1.057
3	Ads done by my favorite celebrity endorsed me to buy this particular brand of two wheelers.	2.76	1.005
4	I prefer to buy two-wheelers whose brand is popular among the youths in Aizawl.	3.29	1.057
5	I buy two-wheelers based on advertisement made on mileage.	3.10	.868
6	I make the buying decision based on the power CC of two-wheelers advertised.	3.57	.975
7	Ads that clearly depict the body design of two-wheelers persuade me to own the same one.	3.69	.849
8	Brand image which is built by ads influence me to go for this particular brand of two-wheelers.	3.50	.885
9	Road shows performed by a particular brand of two-wheelers gave me a desire to own the same one.	3.17	.985
10	Sales promotional program such as racing, sponsorship of various programs makes me think that the brand is a famous one.	3.64	.817

Factor Analysis

The factor analysis is a statistical mechanism used for the reduction of a set of observable variables in terms of a small number of latent factors. The basic purpose of this analysis is to structure factors of variables which are independent of each other. Principal component analysis was employed for extracting the factors. The inter-operability of factors can be improved through rotation of the matrices. Orthogonal rotation varimax was run considering all the factors to be independent from all other factors. To ensure the suitability of data for factor analysis, both the KMO (Kaiser-Meyer-Olkin) and Bartlett's Test of Sphericity were employed. The KMO measure the sampling adequacy of the data and its statistics varies between 0 and 1. A value close to 1 indicates the patterns of correlation are relatively compact and hence the data is appropriate for factor analysis and good for testing. The value of KMO was found to be 0.724 which is greater than 0.5 marking the words of Cortina J. M (1993) that the value between 5 and 7 are mediocre and hence the sample is adequate and fit for testing. Bartlett's Test of Sphericity was also conducted to check the overall significance of matrices and it was found to be highly significant with $p < 0.00$.

Table 3
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.724	
Bartlett's Test of Sphericity	Approx. Chi-Square	328.025
	Df	45
	Sig.	0.000

The following Table 4 explains the initial and extracted communalities. Principal component analysis works on the initial assumption that all variations are common i.e. the communalities are all 1 before the extraction. The common variance in the data is presented in the extraction row where the structure meaning 62 % of the variance associated with statement 1 is common or shared variance. Likewise for each of the variables, the amount of variance can be explained by the retained factors which are represented by the communalities after the extraction.

Table 4
Communalities

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Initial	1	1	1	1	1	1	1	1	1	1
Extraction	0.62	0.54	0.62	0.61	0.33	0.38	0.56	0.61	0.41	0.44

Extraction Method : *Principal Component Analysis*

Subsequently Table 5 summarize the total variance explained and lists the eigen values associated with each factor before the extraction, after extraction and after rotation. The initial eigen values comes out with three different columns where the first column gives the values for all the factors in decreasing order, the second column explains percentage of variance which is followed by cumulative variance in the third column i.e. factor 1 explains 27.029 percent of variance. Then the second part of the table Extraction Sum of Squared Loadings shows that 3 factors with eigen value greater than 1 are extracted indicating there are three useful factors which explain 51.646 percent of the variance. Similarly, the eigen values after rotation are displayed in the third part of the table Rotation Sum of Squared Loading. Rotation has the effect of optimizing the factor structure and it equalizes the relative importance of these three factors. Before rotation, factor 1 accounted considerably more variance (2.703) than after rotation (1.761) while the other factors 2 and 3 have increased eigen values after the rotation (1.258 and 1.204 before rotation increased to 1.745 and 1.658 after rotation).

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Table 5
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.703	27.029	27.03	2.703	27.03	27.029	1.761	17.61	17.614
2	1.258	12.575	39.6	1.258	12.58	39.604	1.745	17.45	35.065
3	1.204	12.042	51.65	1.204	12.04	51.646	1.658	16.58	51.646
4	0.953	9.526	61.17						
5	0.795	7.949	69.12						
6	0.752	7.518	76.64						
7	0.711	7.107	83.75						
8	0.619	6.193	89.94						
9	0.572	5.72	95.66						
10	0.434	4.343	100						

Extraction Method : *Principal Component Analysis*

The following Table 6 displayed the component matrix before rotation. Loadings of each variable into each factor are displayed in the matrix with suppressing all loading less than 0.40 from the table to make the interpretations of factors easier.

Table 6
Component Matrix

	Component		
	1	2	3
S8	.658		
S6	.588		
S7	.567	.460	

S9	.530		
S4	.523	-.513	
S5	.488		
S3	.528	-.568	
S10		.519	
S1	.400		.683
S2	.503		.523

Extraction Method : *Principal Component Analysis, 3 components extracted*

Subsequently Table 7 explains the rotated component matrix which is the final step in the analysis. In this matrix, all factors loadings less than 0.40 are not displayed. Rotation solves the problem of variables with high loadings on more than one factor in the matrix which is observed in the previous component matrix.

Table 7
Rotated Component Matrix

Statement	Component		
	Popularity	Brand Choice	Product Attributes
Ads done by my favorite celebrity endorsed me to buy this particular brand of two-wheelers.	.769		
I prefer to buy two-wheelers whose brand is popular among the youths in Aizawl.	.778		
Road shows performed by a particular brand gave me a desire to own the same one.	.591		
Ads that clearly depict the body design of two-wheelers persuade me to own the same one.		.729	
Brand image which is built by ads influence me to go for this particular brand of two-wheelers.		.702	
Sales promotional programs such as racing, sponsorship of various programs make me think that the brand is a famous one.		.660	
I make the buying decision based on the price of two-wheelers advertised.			.791
I choose the color of my two-wheelers from the advertisement I have seen from different modes.			.712

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I buy two-wheelers based on advertisement made on mileage.	.499
I make the buying decision based on the power CC of two-wheelers advertised.	.454

Extraction Method : *Principal Component Analysis*
Rotation Method : *Varimax with Kaiser Normalization, Rotation converged in 5 iterations*

From the above Table 7, it can be observed that the factor analysis of 10 statements suggest that three factors were chosen on the basis of eigen value of more than 1. The first factor can be called popularity as the highest loading relates to celebrity endorsement, popularity and road shows. The second factor brand choice exhibit loadings for three variables such as body design, brand image and sales promotion. According to Chadha (2011) brand name is the second most important factors influencing the brand preferences, thus the finding supports the extant literature. The third factor is known as product attributes which is exhibited by the factor loadings of price, color, mileage and power cc. The findings also support the extant literature (chadha,2011; Patole, 2013; Yuvaraju&Rao, 2014). Hence among the college youth, popularity has been considered to be the most important factors influencing their buying behavior for two-wheelers because the youth are following latest trends and used their ride as a fashion statement. Brand choice and product attributes are also found to have influences upon the college youth buying behavior for two-wheelers.

Conclusion

Basically this study tried to analyse the important factors which may influences the buying of two-wheelers in order to increase our current knowledge of the consumer behavior. The knowledge of consumer behavior helps the marketers to understand how a consumer perceive, reacts and responds to the specific products and how they were influenced by the environment that lead them to make the buying decision. Today, India stands as a nation with a population of 1.21 billion (Census: 2011). Out of which the youth population comprises of two-third of the total population of the country. Youth are found to be highly influenced by the latest trend in the market. Two-wheelers have become a necessity in a part of their life and it is being used as fashion statement by the youth. The main results of the study specified that Popularity of the brand plays an important role in buying the two-wheelers. Youth prefers to buy two-wheelers whose brand is well known by others. Popularity of the brands are expected to be formed by celebrity endorse advertisement and road shows where the brands are exposed to the target customers. However, brand choice and product attributes should also be look into it by the manufacturers since all of these factors play a significant role in influencing the buying behavior of two-wheelers users among the college youth in Aizawl.

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