

Consumer Behaviour Towards Two Wheelers And Four Wheelers: A Study On Rural And Urban Mizoram

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ABSTRACT

Vehicles are identified as a means of logistic and conveyance, a dynamic of livelihood, and even an insignia of wealth and luxury. Whatever the perception be, vehicles, whether two-wheelers or four-wheelers, are expensive and need constant care and maintenance. This paper tries to study the factors considered in buying two-wheelers and four-wheelers in Mizoram, a remote and rugged State in the North East corner of India having a total road length of 4,046.37 kms, out of which 2,220.30 kms were surfaced road (Census of India, 2001) and only 18 petrol pumps all over the State (Economic and Statistics, 2008). Given the various infrastructural constraints and backwardness of the State, the present study tries to identify which of the ancillary attributes play prominence in the buying behaviour of the rural and urban Mizoram consumers with respect to two-wheelers and four-wheelers.

Keywords : Consumer Behaviour, Urban, Rural, Mizoram, Two Wheelers, Four Wheelers

INTRODUCTION

The concept of consumer behaviour is of prime importance in marketing. It is imperative to understand consumer buying behaviour as it plays a vital role in creating an impression on commerce as a whole (Corbitt et al., 2003). According to Schiffman and Kanuk (2008), consumer behaviour can be defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. To elaborate further, consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases, and how they dispose of it. This view brought out that consumer behaviour is more than just buying of goods/services. The process starts much before the products have been acquired or bought. A process of buying starts internally in the minds of the consumer, which leads to the search for alternatives among the products that can be acquired with their relative advantages and disadvantages. This peripheral search follows a process of decision-making for purchase. The market players' performance with respect to product, price, distribution and promotion results in perceptions held by buyers and prospective buyers. Perceptions, in turn, affect purchases and the market share. The consumers and their behaviour constitute the causal variables in marketing, making the roots of any strategic design. All marketing plans embody myriad assumptions about the buyer. Whether the marketers are trying to retain customers, to convert buyers from rivals to attract new users, or simply to increase sales with existing customers, marketing strategy seeks to influence the buyer (Jyoti Kumar NVR, 2003).

Expenditure patterns change as household incomes grow. For lower income households, the emphasis is on basic needs and food items, but as their disposable income grows, purchase of durables, on health and education, and investment-related spending comes into play. Given the wide disparity in income between rural and urban India as well as low, middle and high-income states, differences in expenditure and saving patterns are also to be expected. This diversity is visible across all sections of the society. Occupation profiles, educational qualifications and age of chief earners have a strong bearing on the manner in which households spend their income. Perhaps, one common feature among Indian households is the preponderance of 'unusual expenditure.' The urban-rural disparity is also shown in the ownership profile of consumer durables (Shukla, 2010). This disparity can be seen by the NCAER-Centre for Macro Consumer Research 2005 Report that depicted 55% of the urban households and 27% of the rural households to own two-wheelers, while 14% of the urban households and 3% of the rural households owned four wheelers.

Mizoram, being one of eight States in the North East India, is identified with its own signature of homogeneous population and common ethnicity. The Mizoram population is almost evenly distributed in rural and urban areas

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(Economic and Statistics, 2008), though the distribution of wealth would be skewed sharply towards the urbanites. The penetration of media into even remote rural areas is found to be quite aggressive, and resultantly, the awareness level of rural consumers has been rising. It is in this context that the researcher made an attempt to make a comparative study on the buying behaviour of households towards two - wheelers and four - wheelers in rural and urban Mizoram.

REVIEW OF LITERATURE

Various studies have been conducted on the science of consumer behaviour at the international and national platforms to analyze the different buying behaviour dimensions. Some of the literatures contributing to the study are as follows:

Campbell (1991) remarked that a degree of convergence of views that consumer behaviour in social contexts takes into consideration their own 16 interests as well as the interests of others. It is now more widely accepted that consumers' choices may depend on emotions and habit as well as rationality. Further, goods and services may be used as symbols and means to project a self-image and a given lifestyle. Dwayne Ball et al. (1992) focused on segmenting the target market with different products that better match consumers' needs under different consumption contexts. For example, single, working parents may be a potential market for convenient food because their kind of lifestyle generally implies a consumption context predominated by time pressure and hence, the need to be quick.

O'Guinn and Shrum (1997) examined the consumers' use of television to construct social reality. Their study identified that the prevalence of products and activities associated with an affluent lifestyle were positively related to the level of exposure to television.

Escalas and Bettman (2003) stated that the set of associations consumers have about a brand is an important component of brand equity. The study focused on reference groups as a source of brand associations, which can be linked to one's mental representation of self to meet self-verification or self-enhancement goals.

Verma and Gupta (2006) conducted a study to examine the relationship between brand image and the buyer's perception of quality for durable, semi-durable and non-durable products with 525 respondents from Delhi, Faridabad, Ghaziabad, Noida and Gurgaon. It was found that for all the three types of products, consumers relied on brand image, which has a significant influence on their quality perception. For durable products like television, respondents paid more attention towards price and features of the brand and were convinced that little-known brands are risky to buy.

Sawant (2007) did a study on buying of two-wheelers from 100 respondents within Goa. It was inferred from the study that the maintenance and mileage were an important criteria for respondents in the purchase decision process. People, in general, perceive a big difference in prices, suitability to lady drivers, mileage and resale value amongst various models available in the market. Although, respondents did not consider the safety factor to be that important, they found that all models are more or less equally safe. The criteria that ultimately played a significant role in the purchase decision of respondents were: mileage, price, required maintenance, acceleration and maker's reputation.

Saraswathi (2008) in her study on consumer satisfaction on post-sales service with reference to two-wheeler automobile industry in Hyderabad and Secunderabad, reflected that Bajaj, Hero Honda and TVS were the main players in the two-wheeler industry. The study indicated that most of the respondents were aware of the service centres and received reminders from dealers for free services. The study also found that most of the respondents were satisfied with the over-all service offered to them.

Nabi et al. (2010) examined the buying behaviour of consumers for durable purchases within Odisha. The study showed that promotion mix and price decisively influenced the durable purchase behaviour of the sample.

OBJECTIVES OF THE STUDY

The paper tries to study the factors influencing the purchase of two-wheelers and four wheelers by the households in rural and urban areas of Mizoram.

HYPOTHESES

❖ **Hypothesis H₀1:** There is no significant difference between the rural and urban respondents with regards to the buying factors for two wheelers.

❖ **Hypothesis H₀2:** There is no significant difference between the rural and urban respondents with regards to the buying factors for four wheelers.

RESEARCH METHODOLOGY

The descriptive research design was applied for the study. A comprehensive questionnaire was designed to enquire both into the rural and urban samples. The questionnaire was administered to the sample households from both rural and urban areas. For allocation of the sample, Bowley's allocation was used to select the rural and urban areas. The study was conducted in all the eight functioning districts, namely, Aizawl, Champhai, Kolasib, Lawngtlai, Lunglei, Mamit, Saiha and Serchhip. All the district headquarters were identified as urban areas for the purpose of the study. The rural household samples were drawn from two villages of each district. 40 urban households were taken from each district headquarters to represent the urban customers, and 20 households from each of the villages mentioned above represented the rural households, making it 40 rural households for every district. In all, 640 households i.e. 80 households from each district, 40 from urban areas and 40 from rural areas, were drawn as urban and rural samples respectively to represent the whole State. The random sampling method was used for the purpose of identifying the household customers in each area.

BUYING BEHAVIOR OF HOUSEHOLDS TOWARD TWO-WHEELERS AND FOUR-WHEELERS

❖ **Two Wheelers** : Senthilkumar and Mahadevan (2010) in their study identified that around 9 million two wheelers were produced in the year 2006-07. According to The Society of Indian Automobile Manufacturers (SIAM)¹, the total production of two-wheelers, manufacturer-wise, is presented in the Table 1.

	Manufacturer	Units produced
1	Hero Honda	8,97,520
2	Bajaj Auto	5,44,906
3	Honda	2,40,047
4	TVS Motor	2,04,527

Source: The Society of Indian Automobile Manufacturers (SIAM), Report-VII, 2008

Two-wheelers have always been a trend among the Mizos. Apart from the utility purpose as a means of transportation, two-wheelers have become more of a fashion statement for the youth. Mizoram had 26357 privately owned and 770 Government-owned two-wheelers registered till 2007 under the Transport Department (Statistical Handbook, 2008). The prominent authorised dealers of two-wheelers in the State include: Standard Motor Works for Bajaj automobiles in Aizawl and Lunglei districts; TVS Tlau for TVS Company in Aizawl; Thansanga & Sons for Yamaha in Aizawl ; Kaia & Sons for Hero Honda in Aizawl and Lawma Enfield for Royal Enfield in Aizawl. Information obtained from the Transport Department, Government of Mizoram indicates that a good number of two-wheelers registered were Bajaj and Hero Honda made bikes. Recently, Yamaha launched their flagship bikes with watered-down designs in the form of R-15 and FZ at affordable prices. These introductions pushed the Yamaha sales among the Mizo youth, making it the largest selling bike in the year 2009, according to market sources. It is also interesting to note that Scooty is fast-gaining popularity among the females. This greatly accelerated the number of registered vehicles in Mizoram during the year 2009-10, clocking more than 12 new registrations per day in the latter months of 2009². In the field study, the

¹ The Society of Indian Automobile Manufacturers (SIAM) is the apex industry body representing 44 leading vehicle and vehicular engine manufacturers in India, and is an important channel of communication for the automobile industry with the government, national and international organisations. The Society works closely with all the concerned stakeholders and actively participates in formulation of rules, regulations and policies related to the automobile industry. SIAM organizes the biennial Auto Expo series of trade fairs in co-operation with Confederation of Indian Industry (CII) and Automotive Component Manufacturers Association of India (ACMA). Statistical Reports are issued periodically and the figures given in the paragraph is an extract from Market Share Analysis Report - Report-VII, 2008.

² According to the Transport Department, 418 and 325 new registrations of two-wheelers were recorded in the month of November and December, 2009. The number of newly registered two-wheelers in the month of July 2010 was only 270 and 218 during June 2010.

Table 2 : Buying Factors For Two-wheelers			
Factors	Number of Household Customers		
	Total	Rural	Urban
Price	24 (11.82)	19 (26.03)	5 (3.85)
Appearance	26 (12.81)	7 (9.59)	19 (14.62)
Promotion	71 (34.98)	15 (20.55)	56 (43.08)
Word-of-mouth	7 (3.45)	3 (4.11)	4 (3.08)
After Sales Service	30 (14.78)	14 (19.18)	16 (12.31)
Durability	45 (22.17)	15 (20.55)	30 (23.08)
Total	203	73	130
Note: Figures in parentheses are percentages ; Source : Primary Data			

researcher observed that the most owned bikes among the respondents were Pulsar manufactured by Bajaj and Karizma by Hero Honda. It should be noted that the questionnaire was administered to the respondents prior to the introduction of newer models of Yamaha bikes in Mizoram. The factors influencing the purchase of two-wheelers are presented in the Table 2.

Out of the 640 households, only 31.72% of the household respondents owned a two-wheeler and ,therefore, 437 of the sample households did not respond to the factors influencing purchase of two-wheelers. 34.98% of the household customers felt Promotion to be the most important buying factor for two-wheelers, followed by Durability (22.17%) and After Sales Service (14.78%).

The Table 2 further shows that Price was the most important factor for 26.03% of the rural respondents as compared to only 3.85% of the urban respondents. This difference may be explained that the price of two-wheelers is an important consideration for the rural household customers than their urban counterparts because of the lower purchasing capacity of the former compared to the latter. Again, the urban household customers can purchase on an installment basis offered by the dealers. Similarly, 43.68% of the urban customers were influenced by promotions as compared to only 20.55% of their rural counterparts. This variance in responses may be due to the difference in media exposure between the rural and urban respondents and the influence of advertisements.

The 6x2 Contingency Table χ^2 was performed to find out the homogeneity of the two samples, which gives a significant Chi-Square value of 26.5 at degree of freedom (df) = 5. Thus, Hypothesis H_01 is rejected.

❖ **Four-Wheelers :** It would be useful to look at the road network of Mizoram as this has implications for the marketers of cars. It may not be out of the context to make a comparison of the road network of the North East Region with the network in the rest of the country. The road network per capita is significantly higher in the NER relative to the rest of the country (North Eastern Vision 2020, 2008). Given the hilly terrain and the low density of population, this cannot be considered as an achievement. However, road length per unit area is higher only in Assam, Nagaland and Tripura and not in the other hill States. Since this would have been a more accurate indicator of the ease of movement of passenger and freight traffic, one can conclude that road infrastructure is relatively deficient in the NER States (North Eastern Region Vision 2020, 2008). This is particularly true for the hilly State of Mizoram, as other modes of travel are either too expensive or not possible to provide. According to the information provided by the Public Works Department (PWD)³, Mizoram is connected with a network of primary and secondary roads having a total length of about 6840 kms. Of this, 4430 kms (64.77%) are under state PWD, 1790 kms (26.17%) under Border Roads Organization (BRO), and the remaining 620 kms (9.06%) are specific purpose link roads constructed by State Government agencies namely, Rural Development, Agriculture, Horticulture, Soil Conservation and Forest Departments. While there has been 7.81% increase in road density in the state since the late 1990s, the current road density of 32.43 kms / 100 sq. kms is below India's national average of 48.80 kms /100 sq. kms. All of Mizoram's 23 towns and 341 of its 764 villages have now been connected by all-weather roads. While 338 more villages are connected with fair-weather roads, 85 villages

³ Public Works Department is an organ of the Government of Mizoram for connectivity, road development and maintenance. The information was retrieved from the citizen domain at <http://Mizopwd.nic.in/rdpolicy.htm> accessed on September 13, 2008.

are not yet connected by any type of roads. The majority of earthen roads connecting villages are 'jeepable links' of unspecified standard. However, the State has seen a tremendous growth of four-wheelers in the past few years. As per the records available with the State Government's Transport Department ⁴, Mizoram had a total population of 2908 government-owned four-wheelers and 17313 private vehicles population (Table 3) as on March 31, 2007.

Type of vehicle	Government owned	Private owned
1. Motor Cars	284	6,692
2. Jeeps	1,209	2,665
3. Cabs	-	4,728
4. Gypsy	1,415	2,197
5. Maxi Cabs	-	1,031
Total	2,908	17,313

The Aizawl based authorised dealers are: Hrangbana & Sons for Maruti Suzuki ; Zodin for Hyundai ; Lalhmingthanga & Sons for Mahindra & Mahindra, National Business Centre for Tata and P& Sons for Tata (commercial carriers). Since, cars are expensive, only 5.93% of the rural respondents and 37.18% of the urban respondents owned the cars. The popular brands in the market are: Maruti's 800, Gypsy, Alto, A-Star, Ritz and Zen; Hyundai's Santro, i10, i20 and Getz; Mahindra's Scorpio and Bolero; and Tata's Sumo and Indica.

Table 4 shows the factors affecting the purchase of a brand of a four wheeler.

Factors	Number of household customers		
	Total	Rural	Urban
Price	31 (22.46)	17 (89.47)	14 (11.76)
Appearance	21 (15.22)	-	21 (17.65)
Promotion	28 (20.29)	-	28 (23.53)
Word-of-mouth	8 (5.80)	-	8 (6.72)
After Sales Service	37 (26.81)	1 (5.26)	36 (30.25)
Durability	13 (9.42)	1 (5.26)	12 (10.08)
Total	138	19	119

Note: Figures in parentheses are percentages ; Source : Primary Data

Only 138 (21.56%) of the household respondents owned a car and ,therefore, the remaining 78.44% of the sample households were not asked to respond to this question. The important buying factors considered while purchasing cars were: After Sales Service for 26.81% of the respondents, Price (22.46%) and Promotion (20.29%). Price was found to be the main factor influencing the rural respondents (89.47%), while After Sales Service was the main consideration by the urban respondents (30.25%), followed by Promotion (23.53%) and Appearance (17.65%). The 6x2 Contingency Table χ^2 is performed to find out the homogeneity of the two samples, which gives a significant Chi-Square value of 128 at degree of freedom (df) = 5.

Thus, Hypothesis H₀₂ is rejected.

⁴Based on the Annual Report of Transport Department, Government of Mizoram for 2007-08.

CONCLUSION

The study brought into light the crucial issues of consumer decision-making for buying two wheelers and four wheelers in the State of Mizoram. The prominence of promotion effort made by the marketers/ producers of these durable products is captured by the ranking of choicest buying factors, especially so with two wheelers as seen from the responses of more than a third of the household sample, pointing out Promotion to be the main factor influencing their purchase. Again, Promotion is seen as the third highest factor (i.e. 20.29%) influencing the purchase of four-wheelers among those respondents owning a four wheeler. This is an indication of the extensive penetration and appreciation of media in terms of readership and viewership of print and electronic media as the vehicle for inducing motives in buying the products of the present study⁵. Durability (22.17%) is seen to be an imperative factor while buying a two wheeler as the notion of maintenance-free convenience is perceived crucial in this segment. In case of four wheelers, it may be so stated that the comparatively under developed infrastructure would require constant and consistent After Sales Service as ranked by 26.81% of the respondents. This factor is also quite prominent for two wheelers and is ranked the third highest among the buying factors. It is interesting to note that the price of two wheelers is ranked lower than appearance. It may be inferred that a two wheeler is affordable and is more notably bought for its image. However, price is a goliath as a buying factor for four wheelers, as they are a more expensive investment.

Should the manufacturer of two wheelers target the rural market, the study suggests that Price is the single most prominent factor influencing the buying behaviour of the rural sample. However, it should be considered that Promotion, especially media presence and the product's durability image are both strong contenders as the buying factor for two wheelers. As for four wheelers, around 90% of the rural respondents opined that Price is the buying factor for the product.

The urban respondents depicted a more luxurious consumption pattern for both the two wheeler and the four wheeler segment. It may be observed from the present study that a vast majority of the urban respondents (43.08%) found Promotion as the most imperative buying factor. Again, the Durability image is worth consideration by the marketers of two wheeler segment. For the four wheeler segment, buyers of the product are rational in their investment by depicting the availability of consistent and reliable After Sales Service as the single most important buying factor. As mentioned before, this is a rational deliberation as road conditions in Mizoram are comparatively dire to other states, notably due to heavy monsoon and uneven terrain. Thus, frequent servicing of vehicles is much needed by the owners of the product. Again, Promotion and Brand Image is a serious consideration when buying four wheelers.

To sum up, the rural respondents perceived buying of two wheelers and four wheelers as utilitarian, a durable and affordable means of conveyance, while the economically better-off urbanites displayed a mould of self-indulgent consumption, perceiving the select durable goods as esteem-boosters, not only a vehicle for moving, but also a vehicle of satisfaction. This is rightly so as a hedonic value, which does affect the level of consumer involvement (Solanki, 2011).

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⁵ All respondents who were contacted read at least one newspaper on the third day in a week. The empirical information shows that there are 81 dailies per thousand people (DTP) in Mizoram, which may be the highest among regional dailies in India. Further, almost 55% of the 640 respondents were regular in reading advertisements. As for television, almost half of the respondents view TV every day, spending more than 2 hours every day watching TV.

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