CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSIONS

INTRODUCTION

The findings obtained from the statistical test performed on the hypotheses, the structural equation model SEM-CPD regression model and the SEM-CPD (WOM) mediated model are given. Based on the findings, the suggestions for gauging the consumers’ preferences and priorities from the standpoint of consumers and companies are summarized in this chapter. Final section will bring the scope for future research.

5.1 FINDINGS AND CONCLUSIONS OF THE STUDY

The major findings in each of the phases are summarized hereunder.

5.1.1 RELATIONSHIP BETWEEN DEMOGRAPHIC, CONSUMER PREFERENCES, PRIORITIES AND THE STUDY VARIABLE FOR THE PURCHASE MOTIVES

The relationship between the demographic variables and the study variables i.e., the dimensions of purchase decisions empirically tested. The summary of the analyses and the interpretation thereon is set out hereunder.
➢ Relationship among Age & Family Size

The present study reveals that the age group of 21-25 having a family size of four to five members, 2-3 and 6-7 members has greatest inclination of purchasing a motorbike in that order. Consumers in the age group of 26-35 closely follow the similar trend but with a variation of high relative frequency in the family size of 6-7 members. The trend observed from the results is that younger, the consumers and medium their family size, their inclination towards possession of motorbike is greater. Targeting such an age group and delivering product to meet their needs will be helpful in gaining reasonable market share for manufacturers.

➢ Relationship among Age & Income

The present study reveals that the age group of 21-25 having an annual income of more than 200 thousands have greatest inclination for possessing a two wheeler followed by those in the income group between 50 thousands to 150 thousands. Another significant age group following the similar trend is the age group of 26-35 with a little variation of having higher relative frequency in income group of 100 – 150 thousands. The trend observed from the present study is that
younger the age of consumers and higher their annual income, their inclination towards possession of motorbike is greater. The inclination for possession of two-wheeler decreases with the increase in age and/or decrease in income. Targeting such an age group and delivering product to meet their needs will be helpful in better product positioning.

➢ **Relationship among Age & Employment**

The result reveals that the professionals in the age groups of 21-25, 26-35 is more interested in making motorbikes purchase decision. Significantly, those employed in the private sector in above age groups are inclined in the possessing the motorbikes. Another group, that is making interesting decision of possessing is others, which include self employed, students and others. Students make up the major portion of those in the group others. Those in business and government sector do not respond positively to the purchase decision-making. Consumerism of motorcycle is quite high in respect of those employed privately and in independent profession.
➤ **Relationship among Age & Qualification**

Interestingly, the study reveals that those possessing educational qualification of masters and professionally qualified form the significant portion of the consumers of the motorcycle. Another interesting revelation is that those having college education are inclined in the possession of the product under study. As the level of education increased, notable rise in the consumer’s inclination towards purchasing an automobile increases. In the group of those less educated the increase in age has positive influence in the purchase decision. Targeting those with reasonable educational qualification will boost the sales of the companies.

➤ **Relationship among Employment & Income**

The study reveals an interesting angle. It reveals that the respondents employed in government sector are drawing salary between Rupees 100-150 thousands, above 200 thousands. These sections of government employees have inclination of purchase of motorbikes than those in other compensation package. Interestingly, the professionals and private
sector employees receiving an annual compensation above Rupees 200 thousands have notable inclination of purchase of motorbikes. Self-employed in the annual income between 150-200 thousands are likely to purchase or have already purchased motorbikes. The table is quite interesting that the consumers who receive an annual compensation more than Rupees 200 thousands think that the motorbikes are affordable to them. Hence, the motorbikes can be positioned for this segment of consumers.

➢ Relationship among Employment & Family Size

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➢ Relationship among Employment & Qualification

The study reveals that many of the employed consumers are either undergraduate or post-graduate. But the need for higher education diminishes as the consumers become employed in Government sector. Obviously, those in the private sector are more qualified educationally than those in other sectors. Self employed display professionalism in their skills. The advertising campaign shall be directed keeping these dimensions in mind.

➢ Relationship among Income & Family Size

The table 4.8 reveals that the level of annual compensation received determines the size of the family. Higher the level of annual income, higher the size of the family going well with the popular notion that the wealthy will have moderate sized family i.e., between 2-5 membership. The uniqueness observed in Kancheepuram district is that the family system is joint family system. But the increase in annual compensation is not a matter as far as having a family size above 5 members. The increasing awareness of family planning and birth control besides the economic well-beingness is the reason for this trend. The manufacturers,
therefore, has to be target the consumers having family size of 4-5 members. Because the increasing need of ease of transportation compels the low sized family, they may also be targeted.

➢ **Relationship among Income & Qualifications**

The research study signifies that the higher qualification is high rewarding ones. Those having more than Rupees 200K are mostly either master degree holders or professionally qualified. Those who are qualified less than under-graduation receive lower annual income. The consumers who can afford motorbikes are in group of graduate or higher with an annual income of more than Rupees 50 K and less than 150 K. Therefore, the potential consumers lie in this group, which is the middle class consumers of India and form major consumer base for the consumer durables and automobiles.
5.1.2 RELATIONSHIP BETWEEN DEMOGRAPHICS AND CONSUMER PURCHASE DECISIONS

❖ Age and Purchase Intentions

The results suggest that the significant difference on the various purchase decisions dimensions with respect to age of the respondents. From the table 4.1, it is evident that there is no significant difference of age of the respondents with regard to Affordability, Attributes, Sales Support, External Factors and overall purchase decision. Purchase is an outcome of various dimensions of consumer behavior in India, but the researcher found out that there were quite significant differences among the respondents with respect to age. The researcher identified the following reasons as the cause; the influence of the peers, family and friends and also the availability of credit, consumers’ sensitivity to consumption of fuel, information on spare price across all ages. The above stated factors are influencing various dimensions of purchase decision- making under study.

❖ Occupation and Purchase Intentions

The study reveals the significant difference on the various purchase decisions dimensions with respect to employment or occupation of the
respondents. From the above table, it is evident that there is no significant difference of employment status of the respondents with regard to Affordability, External Factors. From the above table, there is no significant difference among employment status with regard to purchase decisions as it is dependent upon individual dimensions of purchase behavior of consumers in India, but the researcher found out that there were quite significant differences among the respondents with respect to occupation. The research identified the following reasons as the causes: the cost of fuel, geographical diversity, cultural bias, rural-urban divergence, standard of education acquired which spread across almost all types of employment. The above stated factors are influencing various dimensions of purchase decision-making under study.

**Income and Purchase Intentions**

The study reveals the significant difference on the various purchase decisions dimensions with respect to level of annual income of the respondents. From the above table, it is evident that there is significant difference of level of annual income of the respondents with regard to Affordability, Attributes, Sales Support and Purchase decision. From the above table, there is no significant difference of level of annual
income with regard to external factors such as advertising or word of mouth, in India, but the researcher found out that there were quite significant differences among the respondents with respect to annual income. The research identified the following reasons as the causes: the needs such as neighbor’s possession and maintenance requirements. The above stated factors are influencing various dimensions of purchase decision-making under study.

- **Family Size and Purchase Intentions**

The study reveals the significant difference on the various purchase decisions dimensions with respect to size of the family of the respondents. From the above table, it is evident that there is significant difference of size of the family of the respondents with regard to Affordability, Attributes, External Factors and Purchase decision. From the above table, there is no significant difference of size of the family with regard to Sales Support such as dealer network, number of service stations in India, but the researcher found out that there were quite significant differences among the respondents with respect to size of the family. The research identified the following reasons as the causes: Location, Trained Service Personnel and neighborhood help. The above
stated factors are influencing various dimensions of purchase decision-making under study.

- **Educational Qualifications and Purchase Intentions**

The study reveals the significant difference on the various purchase decisions dimensions with respect to level of education received of the respondents. From the above table, it is evident that there is significant difference of size of the family of the respondents with regard to Affordability, Sales Support, External Factors, Overall Possession needs and Purchase decision. From the above table, there is no significant difference of level of education received with regard to Attributes of the product such as product features, style, price and road conditions in India, but the researcher found out that there were quite significant differences among the respondents with respect to level of education received. The research identified the following reasons as the causes: Word of mouth of friends, neighbors, highest reach of advertising, proximity of the study area with largest metropolitan city in the state and need for self esteem. The above stated factors are influencing various dimensions of purchase decision-making under study.
5.1.3 Regression Model of the SEM-CPD Mediated Structural Equation Model

The regression analysis revealed that the student’s perception on the various dimensions of purchase decision, attributes explained 0.10 of the purchase decision, followed by affordability which explains -0.01 of the purchase decision. The $R^2$ value of 0.42 is displayed above the box purchase decision in the AMOS graphics output. The visual representation of results suggest that the relationships between the dimensions of purchase motives and the mediated factor. The Attributes results a significant impact on the mediated factor, External Factors. The Affordability results very limited negative influence on the purchase motives. It shows that the consumer attitude towards the affordability issues like credit facility, influence of the environment towards the outcome of affordability is insignificant; whereas the impact of the same is very high on the mediating variable. The covariance is quite significantly high between affordability and sales support, which shows that consumer, requires high level of after sales service and support from the dealer to buy the motorbikes and for advice on maintenance. The covariance between affordability and attributes is moderate, which means that the affordability and attributes play a
modest yet key role in the decision-making process towards purchase. According to Hoyle, (1995) a model is a statistical statement about the relation among variables, in the present study reveals the relationship among the various dimensions of purchase motives & the outcome of the purchase decision.

5.1.4 SEM-CPD (WOM) Mediated Structural Equation Model

Among the dimensions of purchase decision of consumer in the SEM-CPD (WOM) Model above, the needs sub dimension has a regression weight of -0.02. It signifies that need for life style change, savings on transport, influence of family and others is quite negligible towards purchase behavior of motorcycle consumer in study geographical area. While the credit facility sub dimension has a regression weight of 0.12, which reveals that the rate of interest, flexibility in repayment and ease of documentation is the key for making purchase decision. As the study area is a rural-urban conglomeration, the availability of credit at a reasonable rate with the flexible terms influences purchase decision when the affordability is broken down into sub dimensions. Individual variables loses its significance in view of the major sub-dimensions are themselves self explanatory.
Features dimension of the motorcycles have a less significant regression weight of 0.01. Though the features dimension have positive impact on purchase decision outcome, it does not have significant impact to change the consumers’ behavior. Whereas the Infrastructure (available for servicing) and maintenance dimension have very significant regression weight of 0.39. It is this requirement that keep on lingering in the minds of the consumer while purchase decision. The consumers’ attach importance good condition of roads, effortless riding, Finally, the price, the third sub dimension of attributes dimension, has a regression weight of 0.08. The price of the product is not given importance by the consumers towards purchase inclination. This attitude stems out of the higher needs such as flexible credit, serviceability, family compulsions. The serviceability is given more importance than other two sub dimensions such as price and features fuel consumption in the sample study area.

Advertising media has a regression weight of 0.13, which is less significant yet significant considering the other dimensions such as features, needs and price. Advertising, as empirically proved a priori, has considerable impact on making purchase decisions. Newspapers,
radio and television has a wide reach among the consumers. Internet advertising is yet to gain its place in the study area.

After sales support has a regression weight of 0.13, which is again significant considering other dimensions mentioned above. Service quality is the first and foremost requirement of the consumers as empirically proven by Parasuraman et al. As often, the motorcycles need maintenance, spare availability and its price influence the purchase behavior of the consumers in the study area.

While the needs has a regression weight of 0.01, features has 0.03, Sales Support has 0.09, advertising media has 0.03, credit facility has 0.03 and finally the infrastructure, price have regression weights of 0.01 respectively. It is evident from the SEM-CPD (WOM) model, that the individual sub-dimensions except infrastructure have lesser or no significant impact on the consumer purchase behavior. While the individual sub-dimensions when mediated through the mediating factor referral has a regression weight of 0.66, which is considered as strong and sustainable impact.

The value of RMSEA and other goodness of fit indices GFI and NFI are 0.050, 0.934, and 0.999 respectively for the SEM-CPD mediated Structural Equation Model.
The hypothesized mediated SEM-CPD model conceptualized in the first chapter as research model is given below in figure 5.1.

**Figure 5.1: SEM-CPD MEDIATED MODEL**

**MODEL FOR MEDIATING EFFECTS OF PURCHASE DECISION**

**DEMOGRAPHIC VARIABLES**

**ATTRIBUTES OF THE PRODUCT**
- Pricing
- Riding Comfort
- Durability
- Mileage
- Maintenance

**AFFORDABILITY AND DESIRE**

**EXTERNAL FACTORS**  
(TECHNICAL, SOCIAL FACTOR)

**PURCHASE DECISION**

**AFTER SALES AND SERVICE**

Hence the conceptualized research model henceforth called as SEM-CPD mediated structural equation model is empirically proved. Thus
SEM-CPD model will lead to in-depth understanding of the consumers purchase intentions of motorcycles in Tamil Nadu. The model is also applicable to the consumer preferences and attitudes towards purchase of automobiles. The findings result in a major shift in referral intentions of consumers.

5.2 SUGGESTIONS FOR RIGHT POSITIONING OF PRODUCT TO TARGET CONSUMERS OF MOTORCYCLES

From the above the findings, the study found the focus of manufacturers of two-wheeler is concentrated on improving fuel efficiency, price commensuration with features. The consumers do not prefer low priced product which gives low utility value. Instead, they are ready to trade-off the cost of acquisition for best utility value. Purchase decision is motivated, by and large, by the ease and cost of transport, influence of family and suggestions about the utility of the vehicle. Consumers engage in utility maximization, with lower prices leading to consumers purchasing more and higher prices resulting in consumers purchasing less. The manufacturers who offer easier credit terms with ease of documentation is quite successful in achieving desired purchase motivation. Hence, the manufacturers shall attempt at offering true 0%
rate of interest without any price reduction. This will help them to keep their margins as well as afford them to attract new buyers.

The after sales support and availability of trained service personnel influences the purchase motives of consumers. Whenever a new motorcycle with new technology is launched, the availability of service personnel to deal with service requirements will help in motivating consumers to adopt positive purchase attitude. Since, the consumers are worried about the maintenance compulsions, manufacturers shall design motorcycles which are fuel efficient and require less maintenance efforts. Offering extended warranty on service will have a positive impact on the consumer behavior.

Lack of service infrastructure, long service duration and inadequate dissemination of product utility will have negative impact on the product sales. Good rapport between the customer and dealer will transform into reasonable sales. Trend observed as far as pricing is concerned, consumers have a fair knowledge of cost of the product and utility value of the product. Higher price does not necessarily mean higher utility value. To build brand equity, the manufacturers should aim at improving service quality, ambience at the dealer outlets.
5.3 SCOPE FOR FUTURE RESEARCH

In terms of future research, consumer preferences, priorities of the automobiles can be analyzed to identify the divergence in consumer behavior of two-wheeler and automobiles. The demographic variables such as religion, caste have to be included in future studies to identify the shift in consumer behavior arising out of the impact of these variables. Though, the present study includes service quality as one of the constructs, a separate study involving cross comparison of service quality of various automobiles can bring to light the link between service quality and other dimensions of consumer attitudes towards purchase decision-making (Parasuraman et al 1991). The survey method of stratified random sample of individual two-wheeler could be useful in identifying the impact of demographics on the dimensions of purchase decision. Such a study will be useful for the two-wheeler makers to identify the diversity within the market segment; they want to position their products. Besides that, it will aid the strategies on designing advertising campaigns and perceive the effects of offers/discounts given by the manufacturers. Future studies shall include the product
innovation as one of dimensions of the research to capture the attitudes of consumers.

5.4 CONCLUSION

This study is discussed in detail the various dimensions of purchasing behaviour of consumers using bikes in Kancheepuram district. The analysis conclude that referral dimension play a dominant role apart from other dimensions. So the manufactures of motorcycle have concentrate more on consumers with respect to word of mouth sales. The marketing success of any enterprise depends on its ability to create a community of satisfied customers. The Referral is mediating factors for purchasing decision making in the research study. This research findings could be adopted by the corporate strategy for marketing their products in developing countries.