CHAPTER II

REVIEW OF LITERATURE
CHAPTER-II

REVIEW OF LITERATURE

‘Marketing takes a day to learn. Unfortunately it takes a lifetime to master’.

-Philip Kotler

THE BRITANNICA ENCYCLOPAEDIA, (1922) describes a motorcycle as a bicycle or tricycle propelled by an internal-combustion engine (or, less often, by an electric engine). It also explains that motors on mini-bikes, scooters, and mopeds, or motorized velocipedes are usually air-cooled and range from 25 to 250 cubic cm (1.5 to 15 cubic inches) in displacement; the multiple-cylinder motorcycles have displacements of more than 1,300 cubic cm.

An automobile was the reply to the 19th-century dream of self-propelling the horse-drawn carriage. Similarly, the invention of the motorcycle created the self-propelled bicycle. The first commercial design was a three-wheeler built by Edward Butler in Great Britain in 1884. This employed a horizontal single-cylinder gasoline engine mounted between two steer-able front wheels and connected by a drive chain to the rear wheel.

The 1900s saw the conversion of many bicycles, or pedal cycles by adding small, centrally mounted spark ignition engines. It was then felt the need for reliable constructions. This led to road trial tests and competition between manufacturers. Tourist Trophy (TT) races were held on the Isle of Man in 1907 as reliability or endurance races. Such were the proving ground for many new ideas from early two-stroke-cycle designs to
supercharged, multi-valve engines mounted on aerodynamic, carbon-fibre reinforced bodywork.¹

SMITH A, (1937) in his famous book “Wealth of Nations”, has pointed out that the marketing literature is replete with writings which place the consumer at the center stage of the market. Adam Smith in his ‘Wealth of Nations’ observes how important it is to take care of the interest of the consumers. “Consumption is the sole end and purpose of all productions and the interests of the product ought to be attended to only as far as it may be necessary for promoting that of the consumer”.²

BILKEY AND WARREN J., (1951) in their article "The Vector Hypothesis of Consumer Behavior", have explained pertaining to problem recognition. According to him problem recognition results when there is a difference between one's desired state and one's actual state. Consumers are motivated to address this discrepancy and therefore they commence the buying process.

Sources of problem recognition include:

- Dissatisfaction an item is out of stock
- Dissatisfaction with a current product or service
- Consumer needs and wants
- Related products/purchases
- Marketer-induced
- New products

The relevant internal psychological process that is associated with problem recognition is motivation. A motive is a factor that compels action. Belch and Belch provide an explanation of motivation based on Maslow's hierarchy of needs and Freud's psycho-analytic theory.\(^3\)

**DRUCKER P. F.,** (1964) in his popular book “Managing for Results”, according to him “every business can be defined as serving either customers or markets or end users.”\(^4\)

**OLIVER R. L.,** (1977) in his article “Effect of Expectation and Disconfirmation on Post-Exposure Product Evaluation: An Alternative Interpretation”, pointed out that in general, research on satisfaction has centered upon expectations, results or perceived benefit, and satisfaction itself as a model inside the confirmation/confirmation paradigm according to which satisfaction is the result of a comparison process.\(^5\)

**NEW STANDARD ENCYCLOPEDIA** (1977) states that motorcycle is a two or three wheeled vehicle powered by an internal combustion engine. Like a bicycle a motorcycle has pneumatic rubber tyres, a seat for the rider and handlebars for steering.\(^6\)

**MITCHELL BEAZLEY,** (1978) in his “Fact Index”, he explains that motorcycle is a two-wheeled automotive vehicle that combines the principles of a bicycle and the internal combustion engine. First designed in 1885 by Gottlieb Daimler, it did not become popular until 1910. Motorcycles are classified in terms of engine capacity, which ranges from 50cc to 1200cc. There are two types of engine: four stroke and two stroke;

---


\(^6\) "New Standard Encyclopedia", Chicago-Standard Educational Corporation, 1977, Vol.10, p.m588
Transmission is by chain, although some early motor cycles had belt transmission. The clutch, accelerator and front braking controls are usually on the handlebars, and the gear change and rear brake are controlled by foot pedals.\(^7\)

**OLIVER R. L., (1981)** in his research article “Measurement and Evaluation of Satisfaction Processes in Retail Setting”, observed that research has approached the issue of how to make satisfaction a useful concept for commercial distribution in two main lines. The first approach proposes that consumer satisfaction can be explained in connection with various positive and negative aspects experienced during good purchase, consumption and use. The second approach affirms that consumer satisfaction can be understood as the individual emotional response to the overall evaluation of the contact with the given establishment.\(^8\)

**COLLIERS’ENCYCLOPAEDIA, (1982)** observes that the conveyance of passengers or freight over public highways in vehicles, or combinations of vehicles, generally powered by internal-combustion engines. The flexibility of service and the relatively low capital costs have combined to give motor transport a vital role in the development of rural areas, in the decentralization of cities, and in intercity transport services.\(^9\)

**NEW STANDARD ENCYCLOPAEDIA, (1983)** describes virtually all motorcycles are equipped with kick pedals for starting, and many medium and heavy machines have electric starters as well. Engine speed is controlled by a twist grip on the handlebars.

---


A lever on one of the handle bars operates the front brake. The rare brake is operated by a pedal.10

WILLIAM F. ARENS, (1983) in his famous book “Contemporary Advertising”, observed that advertising is concerned with the promotion aspect of the marketing process. It is one of several tools marketers use to inform, persuade, and remind groups of customers (markets) about the need-satisfying value of their products and services.11

ROGER, (1986) in his book “A Consumer Behavior: Implications for Marketing Strategy Business”, has explained the chief factors which influence the consumers. According to him there are four major factors which influence on the buying behavior of consumer:

i) Cultural factors   ii) Social factors
iii) Personal factors and iv) Psychological factors

Consumer behavior cultural can be defined as the sum total of learned belief, values and customs that serve to guide and direct the consumer behavior of all members of that society. Cultural is a learned through the following three ways:-

1. Formal learning
2. Informal learning
3. Technical learning

Cultural is a most fundamental determinant person’s wants and behavior, the growing child acquires a set of values, perceptions, preferences and behavior, through his

---

family and key institutions. Consumer behavior is also influenced by such social factors as reference groups, family and social roles and status. Buyer’s decisions are also influenced by personal characteristics, the buyer's age, life cycle stages, occupation, economic circumstances, lifestyle and personality and self-concept.

Abraham Maslow needs can be ranked in order of importance from the low biological needs to the higher levels of psychological needs. Maslow’s hierarchy of human needs make us understand consumer motivation. It is useful for the marketer who can identify what generic level need this brand is capable fulfilling and accordingly position his brand up with relevant marketing inputs.\(^{12}\)

WILKIE W, (1986) in his book entitled “Consumer Behavior”, stated that consumer’s overall evaluation of a brand depends upon the attitude they form towards that brand, often referred as brand attitudes.\(^{13}\)

ROSSITER J.R AND PERCY L., (1987) in their book “Advertising and Promotion Management”, stated that brand awareness often represents the consumer’s ability to identify or recognize the brand.\(^{14}\)

GROONROOS C, (1989) in his article “Defining Marketing: A Market-Oriented Approach”, has tried to focus on reducing customer dissatisfaction. According to him the essence of marketing lies in providing desired value to customers. A company cannot possibly satisfy all the customers in a market, because their needs are varying.

---


Most organizations do not have the capability to serve widely varying needs. An organization has to select customers whose needs can be matched with its capability to serve them. If it tries to serve all customers, it is sure to have some of them dissatisfied. But if an organization has selected its customers carefully, it is possible to satisfy all of them completely.

Successful companies rely on their satisfied customers to return to repurchase and recommend the company’s offerings to others. Therefore the goal of marketing is attracting and retaining customers through long-term satisfaction of their needs.\textsuperscript{15}

\textbf{AAKER D A}, (1991) in his famous book “Managing Brand Equity”, brand awareness is defined as “the ability of a buyer to recognize or recall that a brand is a member of a certain product category”.\textsuperscript{16}

\textbf{ANDERSON E W, FORNELL C AND LEHMANN D R}, (1994) in their article “Customer Satisfaction, Market Share and Profitability: Findings from Sweden”, have highlighted the importance of consumer satisfaction. Ever since the marketing concept was developed; customer satisfaction has been the pivotal point of marketing theory and practices. The emphasis on customer satisfaction gained renewed strength following the adoption of modern marketing practices in the 21\textsuperscript{st} century. In recent years, considerable conceptual and empirical researches have been published in the academic journals and they deal with various aspects of customer satisfaction. Previous researches have


identified service quality, expectations, confirmation, performance, desires, affect and equity as important antecedents of customer satisfaction.17

BEJOU D., ENNEW C. T., AND PALMER A., (1998) in their research article “Trust, Ethics and Relationship Satisfaction” have mentioned the factors which may develop satisfaction among the consumers. The recognition that there are positive (although not perfect) links between satisfaction and loyalty, word-of-mouth and repurchase, highlights the importance of identifying and explaining the conditions under which satisfaction develops.18

PILLAI R.S.N AND BAGAVATHI, (1999) in their book entitled “Modern Marketing-Principles and Practices”, explain that the word ‘Market’ is derived from the Latin word ‘Marcatus’ meaning merchandise, wares, traffic, trade or a place where business is conducted. The common usage of market means a place where goods are bought or sold. The essence of marketing is an exchange or a transaction, intended to satisfy human needs or wants. That is, marketing is a human activity directed at satisfying needs and wants, through an exchange process.19

KIM, SOYOUNG, LITTLRELLAND AND MARY A, (1999) in their research article "Predicting Souvenir Purchase Intentions" have mentioned that once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organization must facilitate the consumer to act on their purchase intention. The provision of credit or payment terms

---

may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Foxall (2005) further suggests the importance of the post purchase evaluation and that the post purchase evaluation is key due to its influence on future purchase patterns.20

PILLAI R.S.N AND BAGAVATHI, (1999) in their contribution “Modern Marketing-Principles and Practices”, have mentioned that buyer behavior is defined as “all psychological, social and physical behavior of potential customers as they become aware of, evaluate, purchase, consume, and tell others about products and services”. They have also concluded that while buying, a consumer is greatly influenced by his image of the brands of various competing sellers. The brand images are products’ personalities. For instance, design, color, package, price etc. can be a strong influence in determining a brand’s image.21

FRED J BURCH, (2000) in his article “The Marketing Philosophy as a Way of Business Life”, has suggested that the position of the consumer vis-a-vis the business to be understood. According to Fred J Burch, by viewing the consumer as “the fulcrum, the pivot point about which the business moves in operating for the balanced interests of all concerned”.22

ROGER D. BLACKWELL, PAUL D. MINIARD & JAMES F. ENGEL, (2001) in their book “Consumer Behavior”, have highlighted that consumer behavior is defined as

‘activities people undertake when obtaining consuming, and disposing of products and services’. It also can be defined as ‘a field of study, focusing on consumer activities’.\textsuperscript{23}

**INDIAN INDUSTRY: A Monthly Review, Centre for Monitoring Indian Economy**, (2001) discusses the growing shift in consumer preference for motorcycles over other two-wheelers is clearly reflected in the rising share of motorcycle sales in total two-wheeler sales. This has risen to 65.3 percent during April-October 2001 from 54.7 percent during the same period of 2000. While the motorcycle segment recorded buoyant sales growth of over 30% during the first seven months of 2001-2002.\textsuperscript{24}

**MOHNOT S R**, (2001) in his article “Automobile industry2001 and Beyond” observed that there are no signs of a reversal in the growing consumer preference for motorcycles to scooters. As a result, motorcycles now constitute about 69 per cent of the total two-wheeler sales volumes. Riding comfort, better control and superior mileage have attracted consumers to motorcycles. Besides, the 2001-02 budgets reducing the excise duty on two-wheelers (to 16 per cent from 24 per cent) has resulted in an overall drop in motorcycle prices.

As a result, the cost of retail loan has fallen steadily which, in turn, has prompted consumers to go in for motorcycles, though they are a costlier than scooters. In the motorcycle market, the consumer preference has tended to be skewed in favor of four-stroke models. With petrol prices ruling firm, it is not all that surprising to find the growing consumer preference for four-stroke bikes that offer superior mileage.\textsuperscript{25}

\begin{itemize}
\item \textsuperscript{24} "Indian Industry: A Monthly Review", Centre for Monitoring Indian Economy, Dec.2001, p.496
\item \textsuperscript{25} Mohnot S R, "Automobile Industry2001 and Beyond", Industrial Techno-Economic Services P.Ltd.,
\end{itemize}
ROGER D. BLACKWELL, PAUL D. MINIARD & JAMES F. ENGEL, (2001) in their book “Consumer Behavior”, have concluded that “Consumers are much more adept at forcing changes within firms to meet the consumption preferences of consumers than marketers are adept at getting consumers to buy (at least more than once) a product that does not meet the needs and usage preferences of consumers”. Understanding and adapting to consumer motivation and behavior is not an option- it is an absolute necessity for competitive survival. Firms that survive and thrive learn that the consumer reigns.²⁶

PHILIP KOTLER, (2001) in his book “Marketing Management, analysis, planning implementation and control”, has explained that the essence of modern marketing lies in building of profit along with creating meaningful satisfaction for the consumers, whose needs and desires have to be coordinated with the set of products and production programmes. Therefore, marketing success of an enterprise depends on its ability to create a community of satisfied consumers. All the business activities should be carried out in ways which are directed towards the satisfaction of the consumer needs.

Consumer decision to purchase a particular brand of motorcycle result to complex interplay of consumer variables, where the starting point for the company provides the decision process marketing stimuli in shape of brand, promotion, price and distribution strategy.²⁷

²⁶ New Delhi, 2001, p.120
SCHIFFMAN G. LEON, (2001) in his book “Consumer Behavior”, has pointed out that consumer behavior is affected by a host of variables ranging from personal, professional needs, attitudes and values, personality characteristics, social economic and cultural background, age, gender, professional status to social influences of various kinds exerted a family, friends, colleagues and society as a whole. The combination of these factors help the consumer in decision making further Psychological factors that as individual consumer needs, motivations, perceptions attitudes, the learning process personality characteristics are the similarities, which operate across the different types of people and influence their behavior.\textsuperscript{28}

DARIAN J. C., TUCCI L. A., AND WIMAN A. R, (2001) in their article “Perceived Sales Person Attributes and Retail Patronage Intentions”, state that consumer satisfaction is a central element in the marketing exchange process, because it undoubtedly contributes to provider’s success.\textsuperscript{29}

VIMAL SUKUMAR, (2001) in his article “Customer Satisfaction: 20 ways top increase Customer Loyalty”, tried to expose the importance of customer satisfaction. It contributes to the profitability of the firm by allowing firms to charge higher prices, by reducing advertising expenditure, by reducing the number of product faults, and by enhancing the firm’s reputation. It reduces the number of customer complaints. It builds customer loyalty.\textsuperscript{30}

\textsuperscript{28} Schifffman G. Leon, “Consumer Behavior” Prentice Hall of India Pvt. Ltd., Delhi, 2001, p.19
PETE LAVER, (2002) in his famous book “Building a Brand in a Week”, came to a conclusion that the brand is a source of value for the consumer and a source of value to the company. Branding improves profitability; branding builds loyalty; branding reduces risk.31

DAVID L. LOUDON & ALBERT J. DELLA BITTA, (2002) in their contribution “Consumer Behavior: Concepts and Applications” have observed that after purchasing and using a product, the consumer may become either satisfied or dissatisfied. Several determinants including demographic variables, personality variables, expectations and other factors seem to influence satisfaction. For instance, older consumer tend to have lower expectations and to be more satisfied. Higher education appears to be associated with lower satisfaction.32

CHARLEY WATKINS, (2002) in his book “Marketing Sales & Customer Services”, a service can be defined as the way in which we deal with our customers each time they have a ‘service encounter’. Each time customers come into contact with the organization or a member of its staff, they judge the service they receive and form an opinion of the company and the overall level of service provided.

There are a number of approaches an organization can take when looking at the level of service it should offer, but any decision should revolve around the need to meet the customer’s expectations and needs. It should examine in detail what service standards the customer would expect to receive and ensure that what is actually delivered meets

---
those customer expectations. This is because customers always make judgments about 
service standards that result in a comparison of the service they actually receive and that 
they would ideally like to receive. 33

highlighted that success in business derives from getting, keeping and using competitive 
avantage. Branding is the most powerful way to do this. The world’s biggest brands 
belong to the world’s most profitable companies.

Today, brands can be companies, products or services. Brands offer compelling 
benefits over and above conventional marketing:

• Brands support premium pricing on high volumes, creating improved sales 
and profit margins.

• Brands are one of the few investments that do not wear out. In fact, the older 
they get, the stronger they get. Brands capture investment, reducing risk.

• Strong brands compete on price and quality and they compete in the third 
dimension of intangible brand equity.

• Brands own a place in the minds of their customers and have an astonishing 
resistance to change.

• Brands support and innovation.

• Brands segment the market and create options for growth through extension 
and brand families.

• Brands are surprisingly resilient in the face of mismanagement. 34

CHARLEY WATKINS, (2002) in his contribution “Marketing Sales & Customer Services”, has observed that providing levels of service that they fall short of customer expectations carries the risk that customers will take their business elsewhere. However, customers may well accept service standards that fall short of their expectations in one or two areas if they feel that the rest of the service they receive meets or exceeds their requirements.  

JEAN NOEL KAPFERER, (2003) in his contribution “Strategic Brand Management”, listed out that strong brands tend to return good profits for a variety of reasons:

- Top brands command premium prices.
- Winning new customers is easier and so less costly.
- Good brands win customer loyalty, and loyal customers will cost less to retain and service.
- A strong brand gives negotiating power to the supplier.
- High market share gives you presence in the market, and that brings knowledge, and that allows vision, and that facilitates an ability to change.
- A good brand evidences a unique match between company capabilities and market needs. A good brand is therefore an expression of competitive advantage.  

PRAWIN TIWARI, (2003) in his project work entitled “Effectiveness of Sales Promotion for TVS Victor and Max”, TVS Suzuki was formed as a joint venture between the TVS group and Suzuki Motor Company in 1983. It launched its first motorcycle, the

---

AX 100 in 1984. A number of two stroke motorcycle launched by the company such as the Shaolin, Shogun and Samurai met with limited success. The absence of a four-stroke motorcycle in its portfolio during the motorcycle boom has ensured that TVS lagged at number three in the motorcycle sweepstakes.

In September 2001, TVS bought out its partner Suzuki’s 26% stake and the company was renamed as TVS Motor Company. Subsequent to the break up, the company introduced its indigenously developed four stroke motor cycle called the Victor in 2001. This motorcycle was a stylish, fuel efficient 110 cc motorcycle priced at the same price range as the popular 100 cc Hero Honda offerings, Splendor and Passion. The company also launched an aggressive campaign.

The rest, as they say, is history. The Victor shored unprecedented volumes for the company and had a waiting list of three months in January 2002. TVS clocked phenomenal growth rates of 85% in the April to June 2002-03 quarters compared to last year, well beyond the growth rate of competition. TVS Victor has forced the company to increase its capacity from 10,600 to 15,000 units per month to meet demand. This is stated to further go up to 50,000 units per month by March 2003.

Over the years, the company has made a conscious effort to build the TVS brand name. It first separated the brand name from Suzuki in 1998 and launched a corporate identity program with a new logo for the ‘TVS’ brand.

In 2002, the company roped in Sachin Tendulkar to endorse the brand and broaden its appeal in the north and the west, where it is primarily known as a south based company. Through its choice of celebrity and its campaign TVS has painstakingly built values of confidence, trust, sincerity and humility around its brand.
TVS Motors is the third largest company in the two-wheeler industry with a market share of 16%. In fact, it is the only Indian company without a foreign collaboration in the two-wheeler industry.

In all, team TVS has triumphed each and every race and rally in the country from the road to racetrack, with each of the TVS bikes being a winner. And each time the 'Team TVS' has won on the track or off it; our customers have secured a better product for their personal transportation.

The Company has 4 plants- located at Hosur and Mysore in South India, in Himachal Pradesh, North India and one at Indonesia. The company has a production capacity of 300 thousand units a year.37

**Harvey Thompson,** (2003) in his book ‘The Customer- Centered Enterprise”, has explained that a customer / consumer may be the person or organization that is at the point of interaction with the product, service, or process and possibly the ultimate end user. Consumers are the persons who buy things for their own satisfaction.

He also has dealt that customers today has a large array of products to choose from than at any time in the past, and this increased competition has raised customer expectations on the quality of products and services they will receive. The old management philosophy – ‘if you build it, they will come’- has been replaced by “find out what customers want, and give it to them”.38

---

37 Prawin Tiwari, A project report on “Effectiveness of Sales Promotion for TVS Victor and Max”, IFMR, Chennai, June-2003, p.3-6
GUPTA S.L AND RATNA V.V, (2004) in their book entitled “Advertising and Sales Promotion Management”, expressed that a customer not only expects quality products but also quality services. Organization is expected to render services in all three phases viz. presales, during sales and after sales. During presales when the customer develops expectations, the organization must ensure quality and availability of the product in time.

During sales, when the customer experiences the sales process, the organization must provide the customer an opportunity to inspect, and treat them with courteous attentiveness, prompt reply, etc. During after sales, when the sales are finalized, the organization must provide supporting services such as speedy replacements, simplified complaint procedure, efficient maintenance and repair services and so on. Such services, which are provided immediately and instantly, will bring total customer satisfaction.³⁹

VENU SRINIVASAN, (2004) in his article “Two-Wheelers: Changing Market Dynamics”, he pointed out that the dynamics of the motorized two-wheeler industry in India make fascinating reading. From a semi luxury product for the urban middle class in the Eighties and earlier, the two-wheeler has now become not only the favorite form of personal transport but also the most coveted personal (household) possession among various consumer classes except perhaps the most affluent. Leading this emergent boom has been the stylish, fuel-efficient and sturdy four stroke motorcycle that seems to be equally at home on highways and rural byways.

The feeling of freedom and being one with the Nature comes only from riding a two wheeler. Indians prefer the two wheelers because of their small manageable size, low

maintenance and pricing and easy loan repayments. Indian streets are full of people of all age groups riding a two wheeler. Motorized two wheelers are seen as a symbol of status by the populace. Thus, in India, we would see swanky four wheels jostling with our ever reliable and sturdy steed: the two-wheeler.  

MELARKODE P SUBRAMANIAN, (2004) in his article “Consumers and Consumerism”, have observed that the essence of all these expressions could be found in the new familiar expression: ‘consumer is the king’. In fact, to ensure that the consumer is not exploited, cheated and subjected to hardships, his rights are identified and well recognized, John F Kennedy very rightly and clearly identified the right to safety, the right to be informed, the right to choose and the right to be heard as the basic consumer rights. With these rights the consumers should be the happiest a lot, and cannot be expected to have any problem at all in the market.  

GUPTA S.L AND RATNA V.V, (2004) in their book “Advertising and Sales Promotion Management”, have emphasized that consumer behavior plays a very crucial role in advertising. According to John E. Kennedy, “Advertising is simply a way of selling something in the most effective method possible. Good advertising creates sales and not just attention”. The aim of advertising is to persuade people to buy products and services or to accept ideas which are being advertised.

---

WALKER, BOYD, MULLINS & LARRECHE, (2004) in their book “Marketing Strategy: A Decision-Focused Approach”, have pointed out that the consumers purchase decisions may be influenced by individual preferences, personal characteristics, social circumstances, and so forth.43

MALLIKARJUNA REDDY K, (2004) “Consumers Behavior towards Two-wheeler Motorbikes”, has emphasized that satisfaction of the consumers becomes the most important goal of a business enterprise. The effort to ensure consumer satisfaction lies in understanding the consumer, his likes dislikes, his expectations and motivation. An analysis of the consumer’s behavior in terms of consumer consumption patterns, consumer preferences, consumer motivation, consumer buying process and shopping behavior is very much helpful to formulate a firm’s marketing strategy.44

SHREEKUMAR NAIR, (2004) in his article “Emotional Intelligence and Consumer Reactions to Emotional Advertisements”, has pointed out that understanding consumer attitudes is important because of their probable motivational quality and their role in various kinds of buying behaviors exhibited by the consumer.45

MURALIDHAR S., (2004) in his article “Two-wheelers: Local Designs Outperform”, observed that at present the domestic two-wheeler industry is on top gear. High double-digit growth rates, a highly evolved customer base and new technology inputs have all contributed to a distinct change in the outlook for the industry.46

46 Muralidhar S., “Two-wheelers: Local Designs Outperform”, The Hindu Survey of Indian Industry,

![Decision Making Diagram]

- Problem Recognition
- Information Search
- Evaluation
- Decision
- Buy
- Post-Purchase Dissonance

- Dissatisfaction = Brand Rejection
- Satisfaction = Loyalty = Repeat Purchase

---

2004, p.257

BELCH, G. E., & BELCH M. A, (2004) in their book "Advertising and Promotion: An Integrated Marketing Communications Perspective", have discussed that once the consumer has recognized a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search.

Sources of information include:

- Personal sources
- Commercial sources
- Public sources
- Personal experience

The relevant internal psychological process that is associated with information search is perception. Perception is defined as 'the process by which an individual receives, selects, organizes and interprets information to create a meaningful picture of the world.  

GUPTA S.L AND RATNA V.V, (2004) in their contribution “Advertising and Sales Promotion Management”, have expressed their ideas through which dissatisfaction of customers may be identified and rectified. Irrespective of a product or services offered by an organization, it is likely that the customers would reach a level of dissonance and seek for remedial actions. An organization must be pro-active to such a situation. All dissatisfied customers will not come forward to show their displeasure. They may simply

---

make a brand switch-over. This will badly reflect on the prospective customer’s attitude. To avoid this, the causes for dissatisfaction are to be identified and have to be attended well. If a complaint is well attended, then the dis-satisfied customer becomes more loyal to the organization and thereby, the relationship would continue to exist.49

MURALIDHAR S., (2004) in his article “Two-wheelers: Local designs outperform”, highlighted that the future of the motorcycle is bright. There is a distinct possibility of the bike market’s reach becoming deeper, with more variants, better technology and a wider choice of price points becoming the norm. In addition, of course, the competition is only expected to heat up further. However, the Indian bike buyer is all set to get a royal ride with much better products in the future.50

SANTHOSH KUMARI A RAGHUNATHA REDDY D AND KAMESWARI M L, (2005) in their article “Consumer Buying Behavior in Two-wheeler Industry”, observed that industrialization has brought vast changes in the automobile industry, because growth and development of any area requires appropriate transportation facilities. Automobile industry is one of the fastest growing sectors in our country. The rapid growth of middle class section is the primary reason for the growth of two-wheeler industry. People in rural and semi-urban areas are trying to elevate their life style and people in metropolitan cities are completely disappointed with the public transport system.

India is the third largest manufacturer and second largest consumer of two-wheelers in the world. This has been achieved due to variety of reasons like restrictive policy of the Govt. of India and rising demand for personal transport.\textsuperscript{51}

SMITH P. R, (2005) in his contribution “Marketing Communications”, observed that customers might just want advertising to inform them, entertain them and challenge them...just as it always has. After all, advertising does inform, persuade and remind. It can still very quickly help to build brands, raise awareness and nurture brand relationships.\textsuperscript{52}

CARROLL DOUGLAS J AND GREEN PAUL E, (2005) in their article “Psychometric Methods in Marketing Research: Part I, Conjoint Analysis”, described that the Indian two-wheeler industry has come up a long way from being tightly, government controlled industry to a highly competitive one encouraging foreign players’ participation. Today, the Indian consumers have a wide variety of brands and models to choose from when he/she thinks of buying two-wheeler. Approximately 5.4 million units of two-wheelers are sold every year in India making it one of the largest two-wheeler markets in the world. Not only that, India has an average of 27 two-wheelers per 100 people, making it the highest in Asia.\textsuperscript{53}

NEW ENCYCLOPAEDIA BRITANNICA, (2005) describes two stroke engines, which typically burn a mixture of gasoline oil, are economical to run than four-stroke engines, but because of their greater emission of pollutants they are usually only found in smaller


\textsuperscript{52} Smith P. R, “Marketing Communications”, Kogan page India Private Ltd., New Delhi, 2005, p.316.

single-cylinder engines (below 250 cubic cm). All multiple cylinder (two, four, and six) engines are gasoline only, four-stroke engines. Most motorcycles are air-cooled, though a few larger engines are water-cooled.\textsuperscript{54}

SANTHOSH KUMARI A., RAGHUNATHA REDDY D AND KAMESWARI M. L, (2005) in their article “Consumer Buying Behavior in Two-wheeler Industry”, have highlighted the growth of two-wheeler industry. Since the motorcycle industry has reached the state of a competitive market with a few companies producing a good range of products and present thrust is upon innovations and high efficiencies. The market has steadily moved from a sellers market to buyers market. The companies are responding quickly to changing customer demands to stay in the business. Producers are introducing various models or upgrading existing models to cater to the different segments and there is an emphasis on increasing advertisement expenditure and better service through upgraded service centres.

The motorcycle segment within the two-wheeler industry showed a distinct behavior, compared to the overall sales of two-wheelers. During the early 90s, the auto industry in general was under recession, affecting the sales of all two-wheelers including motorcycles. However after this period starting with 1996, the industry showed a slower growth of around 22 % compared to 1990-1991, where as the motorcycle sales increased by 77 % in the year 2004, the growth has been much more pronounced and indicates the consumer’s strong preference to the modern bikes.\textsuperscript{55}

FISHEIN M AND AJZEN I, (2005) in their book “Belief, Attitude, Intention and Behavior: An Introduction to Theory & Research”, highlighted that consumers don’t just buy the brand name; they buy branded products which are an amalgamation of the tangible and intangible benefits created by the efforts of the company.56

SANTHOSH KUMARI A, RAGHUNATHA REDDY D AND KAMESWARI M. L, (2005) in their article “Consumer Buying Behavior in Two-wheeler Industry”, pointed out that the manufacturers of two-wheelers distinguish their products on the basis of power, fuel efficiency, and maintenance requirements, easy in handling, style and price.

India is the third largest producer of two-wheelers after Japan and China and the second largest consumer after China. Despite the poor road infrastructure and the meagre purchasing power, the two-wheeler industry in India has enjoyed a wider appeal with the masses as a means of private transport.57

SHERLAKER S.A, ,NIRMALA PRASAD AND SALVADORE VICTOR S. J., (2005) in their book “Principles of Marketing”, have concluded that advertising has become an integral part of not only of our marketing process but also of our entire economic and social life. It is a double-edged instrument or tool in the marketing mix. If it is properly used it can be a boon or blessing in distribution.58

SMITH P. R, (2005) in his contribution “Marketing Communications”, expressed his views that choice is often influenced by familiarity with the brand, or sometimes the level of trust in a brand name. Familiarity can be generated by actual experience and / or

increased awareness boosted by advertising. If one brand can get into the front of an individual’s mind through advertising etc., then it will stand a better chance of being chosen in a simple buying situation like this.\textsuperscript{59}

SANTHOSH KUMARI A, RAGHUNATHA REDDY D AND KAMESWARI M.L, (2005) in their article “Consumer Buying Behavior in Two-wheeler Industry”, have pointed out that the term consumer behavior refers to the behavior that consumer’s display in searching for, purchasing, using, evaluating and disposing of products and services that they expect, will satisfy their needs. Consumers are highly complex individuals, subject to a variety of psychological and sociological needs apart from their survival needs. Needs and priorities of different consumer segments differ drastically.\textsuperscript{60}

ABDUL HANEEF M, EDWIN GNANADHAS M AND ABDUL KARIM B A, (2006) in their article “Consumer Buyer Behavior of Two-wheelers in Tirunelveli City”, observed that increasing urbanization, higher disposal incomes, falling interest rates and poor public transport lead to increase in the volume of two-wheelers, 10 percent increase year after year for the past one decade. An individual chooses personalized transport, instead of public transport to a desired location in most of the situations. Allowing billion riders in two-wheelers makes it economical and convenient compared to using public transport which takes more time and causes troubles.\textsuperscript{61}

SUBHADIP ROY, (2006) in his article “Consumer Choice of Motorbike Attributes: An Application of Conjoint Analysis”, has dealt that the origin of two-wheeler industry can

\textsuperscript{59} Smith P. R, “Marketing Communications”, Kogan page India Private Ltd., New Delhi, 2005, p.91
be traced back to 1948, when Bajaj Auto Ltd. started importing and marketing Vespa scooters in India. Shortly afterwards, Enfield India Ltd., (manufacturer of the then famous “Bullet” motorbike) started its manufacturing operations in India. This was followed by Ideal Jawa and Escorts Ltd. in the 1960s. The motorcycle segment registered a healthy upward trend during the 1960s and in the early 1970s, it accounted for 36% of the entire two-wheeler market. However the motorcycle market in the 1960s and 1970s was a largely seller-dominated one and consumers had very little freedom of their own, all because of the “License Raj”.

De-licensing of the sector in the early 1980s completely changed the structure of the two-wheeler industry. With the new players entering the market, the choice of the consumers started to widen. Almost all the leading players in the market entered into strategic alliances with the Japanese two-wheeler manufacturers such as Hero (alliance with Honda), TVS Motors (alliance with Suzuki), Escorts (alliance with Yamaha) and Bajaj (alliance with Kawasaki). Fuel efficiency and stylized body were the two most important for the shift of demand from the scooters to motorbikes.

Presently, the two-wheeler market in India is a more or less oligopolistic market with three major players controlling more than 80% market share. The leader among them is Hero Honda, a joint venture between the Hero group of India and Honda Motors of Japan. Hero Honda is the largest two-wheeler manufacturer in the world and has 37.9% market share in India. (Presently the Hero Group and Honda are operating independently in India.) The second largest player is Bajaj Auto Ltd. which is an indigenous company with the market share of 22.3%. The third player is TVS Motor Company with the market share of 20.9% and most of it coming from South India.
Besides this, there are other players like Yamaha, Kinetic India Ltd., Royal Enfield Motors, etc. While in 1992, only one out of every five vehicles sold in India was a motorcycle. In 2001, one out of every two vehicles sold was a motorcycle. During 2001, motorcycle sales crossed the two million mark, leading the two-wheeler industry sales for the eighth consecutive year, recording a compound growth of 25% (1993-2001). The unprecedented hectic activity in the Indian motorcycle market between the years 1999 - 2001 had taken even auto analysts by surprise, with the players revealing plans to launch more bikes in the next few years.62

MOTORINDIA, (2006) TVS Motor Company has received the prestigious Deming prize. This is the first two-wheeler company in the world to achieve this recognition. Mr. Venu Srinivasan, Managing Director of TVS Motor Company, announced the receipt of the Deming prize by the company “for having achieved distinctive performance improvement through the application of Total Quality Management”.

The recognition has been achieved by the company through a systematic process and great team effort consistently practiced over a long period of time. The Deming prize crowns the decade long efforts of the company at building an organization with the overall capability designed for comparison against international standards.63

ABDUL HANEEF M, EDWIN GNANADHAS M AND ABDUL KARIM B A, (2006) in their article “Consumer Buyer Behavior of Two-wheelers in Tirunelveli City, have briefly discussed that the type of buyer behavior involved in two-wheeler purchase is mostly “complex buying behavior”. Consumers are highly involved in a purchase and

---

perceive significant differences among brands. Consumers may be highly involved as the
two-wheeler is more costly, risky, purchased infrequently and highly self-expressive.
Typically the consumer has much to learn about the availability of different brands and
models before taking the buying decision. The buyer will pass through a learning process,
first developing beliefs about the product, attitudes and then making a thoughtful
purchase choice.  

GROONROOS C, (2006) in his article “Brand Genesis”, has revealed that the purpose
of marketing is to establish, maintain, enhance and commercialize Customer
Relationships so that the objectives of parties involved are met. This is done by mutual
exchange and fulfillment of promises.  

JACOBY J., SYZABILLO G.J AND JACQUELINE B.S, (2006) in their research article “Information Acquisition Behavior in Brand Choice Situations”, stated that in
general, consumers tend to adopt a decision rule to buy only familiar and well established
brands.  

PAPPU R, QUESTER P.G AND COOKSEY R.W, (2006) in their research article
“Consumer-Based Brand Equity: Improving the Measurement-Empirical Evidence”,
concluded that it is therefore the consumer’s subjective evaluation of the product quality
thus differentiating a particular brand from other competing brands.  

64 Abdul Haneef M, Edwin Gnanadhass M and Abdul Karim B A, “Consumer Buyer Behavior of
67 Pappu R, Quester P.G and Cooksey R.W, “Consumer-Based Brand Equity: Improving the
Vol.14, No.3, p.143
BURNS D. J. AND NEISNER L., (2006) in their research work “Customer Satisfaction in a Retail Setting: The Contribution of Emotion”, pointed out that consumer satisfaction is determined by the emotional response experienced an individual after purchase and as a result of the disconformities (positive or negative) between expectations and actual experience. It is thus logical to expect that affective evaluation will play a significant part in the satisfaction derived from experiences, contacts and exchanges between distributors and consumers.68

ARUN KUMAR AND MEENAKSHI N, (2006) in their contribution “Marketing Management”, have highlighted that customers buy services, not products. Therefore marketers should adopt a service model of marketing instead of selling the title to the products. Customers buy products for the services that they provide, (i.e) when a customer buys a motorcycle he is buying the service of transportation.69

PAUL SZWARC, (2006) in his book “Researching Customer Satisfaction & Loyalty”, has stated that customer satisfaction is how customers view an organization’s products or services in light of their experiences with that organization or product, as well as by comparison with what they have heard or seen about other companies or organizations Satisfied customers are more likely to ‘promote’ the company, because satisfaction is something people will talk about.70

---


SUBHADIP ROY, (2006) in his article “Consumer Choice of Motorbike Attributes: An Application of Conjoint Analysis”, mentioned that the Indian two-wheeler industry is set to become more competitive as most of the strategic alliances have broken and the foreign players are operating independently. In such a scenario, the players need to know the importance of the attributes of a motorbike and whether there are any differences of choice pattern in different segments of the consumers.\textsuperscript{71}

FIFTEENTH ANNUAL REPORT of TVS Motor Company, (2006-2007) highlighted that the continued quality of its products has resulted in the company winning several quality awards for its products. In 2006, TVS Apache, which was awarded ‘Bike of the Year 2006’ by several leading auto magazines, was chosen as the no.1 motorcycle brand in its class, in an all India customer satisfaction survey conducted by TNS Automotive. Also, TVS Apache won the ‘NDTV’ Car & Bike –AAA viewers choice ‘Bike of the Year 2007’ award, thus reinforcing customer’s preference.\textsuperscript{72}

DAVID MARTIN, (2007) in his research article “The Effect of Relational Benefits on Retail Satisfaction”, highlighted the importance of satisfaction for purchase repetition. Satisfaction is one of the essential factor in predicting consumer behavior and, more specifically, purchase repetition. The more consumer fulfill their expectations during the purchase or service use, the higher the probability that consumers will repeat the purchase in that establishment.\textsuperscript{73}

\textsuperscript{72} “Fifteenth Annual Report 2006-2007”, TVS Motor Company Ltd., p.11-12
\textsuperscript{73} David Martin, “The Effects of Relational Benefits on Retail Satisfaction”, Alliance Journal of Business Research, Fall 2006, Spring-2007, Vol.3, No.1, p.3
KELLER K.L, (2007) in his article “Conceptualizing Measuring and Managing Customer-Based Brand Equity”, mentioned that “Brand recognition relates to consumer’s ability to confirm a prior exposure to the brand when it is given as a cue”.74

ZEITHAML V.A, (2007) in his article work “Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence”, mentioned that brand perceived quality is the “Consumer’s judgment about a product’s overall excellence or superiority”.75

ARUN FLRODIA, (2008) in his article “Two-Wheelers: Modern, Upbeat Market”, has pointed out that the two-wheeler industry has come of age. It sold 7.6 million vehicles in 2005-2006 and 8.4 million in 2006-2007, recording a growth of 11%. The two-wheeler population too has gone up to over 60 million. But this reflects a very low penetration level. There is a big potential to be tapped. India has 500 million middle class people waiting to buy two-wheelers. The industry is in an advanced stage of double digit growth which is expected to come down to 8-9 percent by 2011-2012.76

RUDRA SAIBABA, RANA PRATAP V AND VADDE SURESH, (2008) in their article “Consumer Behavior towards Two-wheeler”, have observed that marketing describes a mutually beneficial relationship between a commercial firm and a consumer. Consumers play an important role in the economy. They form the largest economic group in the country. They are indeed considered the pillars of the economy. The producers

have to understand their tastes and preferences and produce goods which help them satisfy their needs.

Consumer behavior is at the core of the marketing function. The concept is difficult to understand, but it is important for efficient and effective marketing. Consumer behavior consists of actions, reactions and responses in relation to the products bought and services sought.

Factors like personality, perception, attitude and learning on the one hand and the product, price, physical attributes, advertising and societal influence on the other shape the behavior of consumers. Therefore the marketer has to comprehend these elements for better understanding of the consumer.77

Sujana Adapa, (2008) in her article “Discriminant Analysis of Adopters and Non-Adopters of Global Brands”, observed that in today's highly competitive and globalize environment the creation and maintenance of brands is becoming increasingly important. There exists a severe alteration of brand portfolios in favor of global brands by several multinational corporations.78

Natarajan L, (2008) in his contribution “Retail Marketing”, viewed that products are the children of a manufacturer. A manufacturer shapes and names his products in such a way that they remain distinguished from others. Brand name helps consumers to identify a particular product from a plethora of similar products.79

---

VENKAT RAM RAJ T AND AZEEM M. A., (2008) in their research work “Re-Branding-A Business Imperative”, given definition of brand and tried to expose the meaning of brand. According to the AMA (American Marketing Association), Brand is a name, term, sign, symbol, design or a combination of all used to uniquely identify a producer’s goods and services and differentiate them from competitors. In the context of marketing, a brand can be defined as “the symbolic embodiment of all the information connected with a product or service”.

A brand typically includes a name, logo and other visual elements such as image or symbols. It also encompasses the set of expectations associated with the product or services which typically arise in the minds of the people.\textsuperscript{80}

MOTORINDIA, (2008) mentioned that the company has built up an enviable client list which includes major OEMs in India and leading Tier-I manufacturers in India and abroad. With all the needed inputs like funds, infrastructure and global presence through joint ventures and well trained employees, the company is confident of surpassing the expectations of all the business stakeholders.\textsuperscript{81}

THE NEW INDIAN EXPRESS, (2008) TVS Motor Company has reported that the company exported 42,500 two-wheelers in Q1 (2008) of the current fiscal, registering a growth of 50% over the same period last year (2007). TVS Flame sales stand about 6,000 units per month and TVS Apache contributes about 9,000 units per month.\textsuperscript{82}

\textsuperscript{81} MOTORINDIA, \textit{Journal of Auto Mobile Industry and Trade}; May-2008, Vol.52, p.79
\textsuperscript{82} “The New Indian Express”, Chennai, July -29, 2008, p.13
IANS (Tha Indian), (2008) Dhaka, Aug 10 (IANS): With the launch of TVS Motor’s motorcycle ‘Flame’ in Bangladesh, the Indian scooter and motorcycle maker is keen to hike its share of the Bangladeshi market of two-wheelers from eight percent to 12. TVS Auto Bangladesh, the local distributor, unveiled plans for the hike, to take place within the next eight months as the company expects Bangladesh’s two-wheeler market to boom in coming years, the New Age newspaper reported.  

WOMER REINERTZ, (2008) in his article “How to Sell Services More Profitably”, have observed that once manufacturers have learned how to sell and deliver services in a most-efficient way, they can move toward addressing customer’s problems and processes holistically. This means shifting focus from their own processes, incentives, and structures to those of the customer.

MADAN LAL, SHYAM LAL KAUSHAL AND DEEPAK BARMAN, (2008) in their article “Linking Customer Relationship Management to Corporate Renaissance”, have observed that customer care has become so important that organizations simply cannot do without it. Improved performance in service delivery and responsiveness to the customer has become a source of competitive advantage in both manufacturing and service sectors.

RUDRA SAIBABA, RANA PRATAP V AND VADDE SURESH, (2008) in their article “Consumer Behavior towards Two-wheeler”, have observed that the study of consumer behavior provides an insight into various factors which influence the buying

---

83 “IANS (Tha Indian”), Dhaka, August 10th, 2008.
decision of the consumers such as product quality, packaging, size, color, weight, design, credit facility, etc. Understanding of consumer behavior with regard to these aspects will enable a company to formulate product policies suitable to the requirements of customers.  

ARUN FLRODIA, (2008), in his article “Two-Wheelers: Modern, Upbeat Market”, has pointed out that two wheeler manufacturers are well aware of their rising demand and hence, are teeming up the market with new products everyday. Manufacturers are targeting low income sections also with some cheap motorbikes as they are increasingly becoming the potential consumers. Seeing the great demand of the two wheelers, International automobile giants are heading towards India and collaborating with the auto markets. In order to meet the skyrocketing demands of the two wheelers, day-to-day swankiest bikes with high-powered features are launched in the market to attract the maximum buyers.

Such is the craze for bikes, that it comprises the major percentage of the two-wheeler industry, followed by mopeds and scooters. Now, college going crowd and youth find bikes smarter and better for transportation. The best part about a bike is that it provides quick and easy transportation, and can be parked anywhere around. Various factors such as the availability of bikes on reasonable rates, auto loans and higher disposable incomes have contributed to an evident upsurge in the demand of bikes. There's a marked change in the preferences of the buyers, as most of them prefer bikes to scooters and mopeds. 

\[\text{Sources: Rudra Saiubaba, Rana Pratap V and Vadde Suresh, “Consumer Behavior Towards Two-wheeler”,} \]
\[\text{Marketing Mastermind, April 2008, Vol.8, Issue No.4, p.64}\]
NATARAJAN L, (2008) in his book “Retail Marketing”, he described that marketing is a managerial process of providing the right product, in the right place, at the right time and at the right price. Kotler defines marketing as a “social and managerial process by which individuals and groups obtain what they need and want by creating and exchanging products and value with others. This definition is built on the main concepts of wants, needs, demand and satisfaction through exchange process.\textsuperscript{88}

RUDRA SAibaba, RANA PRATAP V AND VADDE SURESH, (2008) in their article “Consumer Behavior towards Two-wheeler”, have emphasized that the concept of modern marketing is customer-oriented. Therefore, it is necessary to study the behavior of consumers to formulate product, price, channel decisions and sales promotion policies. Further, on account of shorter product cycles, environmental concerns, increased interest in consumer protection, public policy concerns, growth of service marketing non-profit marketing and international marketing, there is increased need to study consumer behavior.\textsuperscript{89}

ARUN FLRODIA, (2008), in his article “Two-Wheelers: Modern, Upbeat Market”, has highlighted that the two-wheeler market is vibrant, modern and upbeat. New technology, materials, styles, features and colors are coming in. The focus is on ride quality, manoeuvrability and comfort. The two-wheeler is also a status symbol and a fashion statement. Electronics is coming in a big way in engine management systems for improved fuel efficiency, reducing emission levels and improving performance parameters. New safety features are being added. The new order is replacing the old.

\textsuperscript{88} Natarajan L, “Retail Marketing”, Margham Publications, Chennai, 2008, p.1.3
\textsuperscript{89} Rudra Saibaba, Rana Pratap V and Vadde Suresh, “Consumer Behavior Towards Two-wheeler”, Marketing Mastermind, April 2008, Vol.8, Issue No.4, p.64
A two-wheeler is really a common man's vehicle offering an affordable solution for personal mobility. The inadequate public transportation, its inefficient operation and miserable road infrastructure leave him with little choice. Result? India has become world No. one in two-wheeler manufacturer.\(^90\)

**SUMATHI S AND SARAVANAVEL P, (2008)** in their book “Marketing Research and Consumer Behavior”, have observed that at this time the consumer compares the brands and products that are in their evoked set. How can the marketing organization increase the likelihood that their brand is part of the consumer's evoked (consideration) set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organization needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision.

Attributes used to evaluate suppliers:

- Overall reputation of the supplier
- Financing terms and price
- Technical service offered
- Preference of principle user of the product
- Ease of maintenance
- Sales service expected after date of purchase\(^91\)

---


BALASUBHRAMANIAN N AND SATHYANARAYAN K, (2008) in their research work “Study on Consumer Trust, Value and Loyalty in Relational Exchanges”, have concluded that keeping the customers and ensuring customer satisfaction is thus very crucial for the success and growth of all service firms, no matter what is the size or nature of the business.92

RUDRA SAIBABA, RANA PRATAP V AND VADDE SURESH, (2008) in their article “Consumer Behavior Towards Two-wheeler”, have observed that consumer behavior refers to the act of individuals who are directly involved in obtaining and using goods and services. It also includes the decision making process which leads to the act of purchase. Consumer behavior has no history or body of research of its own. It is a new discipline that borrows heavily from concepts developed in other fields such as psychology (study of the individual), sociology (study of groups), social psychology (study of how an individual operates in groups), anthropology (the influence of society on the individual) and economics. Several early theories related to consumer behavior were based on the economic theory, on the notion that individuals act rationally to maximize their benefits in the purchase of goods and services.93

PEERU MOHAMED H AND SAGADEVAN A, (2008) in their book “Customer Relationship Management- A Step-by-Step Approach”, have observed that satisfaction is a state of mind that occurs when the customer feels that his expected requirement is fulfilled by what is offered by the organization. The ultimate satisfaction a customer aims for has four major components, namely:

- Product satisfaction
- Peripheral satisfaction
- Ambience satisfaction
- Psychic satisfaction

MISHRA AND PALLAVI A. K, (2008) in their research work “Brand Marketing through Customer Relationship Management”, observed that in today’s competitive business environment, customers are making their buying decisions not just on the basis of product comparisons, but on the basis of relationship they have with the company. In fact, ensuring customer satisfaction is the key to success and companies are actively engaged in studying and exploring the conceptual foundations of managing relationship with customers.

BHOLANATH DUTTA, (2008) in his article “Responsibility in Marketing: Quality of Life Marketing”, has observed that marketing is always subject to acid test-ultimate market acceptance and rejection. Marketers need to develop products/services, which deliver expected values/benefits to the customer and in the process make profit.

TRIPTI DHOTE, (2008) in his research article “Enticing Customers through Psychological Pricing”, observed that no two customers have identical likes and preferences and hence their expectations differ. Delivering value and narrowing down the zone of tolerance is a tightrope walk for marketers in any sector. An in-depth knowledge

---

of what shapes the customer expectations is the only key to exceed the expectations of customers in the current scenario.

Customer satisfaction is directly proportional to expectation management. In order to manage customer expectations it is first important to gain an insight into the choices, preferences and priorities of customers. Survival and success in such a daunting scenario calls for delivering maximum value. The mantra is to fathom customer’s perceived value for different products and attract them by providing with the right kind of resources.

Dadiseth K B, Former CMD of Hindustan Unilever Ltd. says: “The biggest mistake anyone can make is to focus on the competitor. You focus on consumer and you will get it right”.97

VENKAT RAM RAJ T AND AZEEM M. A., (2008) in their research article “Re-Branding-A Business Imperative”, mentioned that a brand can be defined as a reputation in the market which has an identity (the source of the brand) which has been translated into an image (customer perception) that confers competitive value in additional sales or premium prices or both. A brand is capable of being much more than a trademark. A brand lives inside its customer’s mind and forms a shared set of beliefs within that group. A shared belief or paradigm is astonishingly tenacious and provides competitive advantages of enormous value. The best brands take on some of the aspects of a personality.98

98 Venkat Ram Raj T and Azeem M. A., “Re-Branding-A Business Imperative”, Indian Journal of
JEFF BEZOS, (2008) founder of amazon.com said that “A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well”.

RUFUS GRISCOM, (2008) founder of websites-nerve.com and babble.com stated that “The key part of your brand is a quality product creating exceptional content is the number one thing”.

GREG NORMAN, (2008) Australian Professional Golfer and Entrepreneur mentioned that our success is a direct result of knowing how to market a brand and having the right people representing the brand”. 99

NATARAJAN L, (2008) in his book “Retail Marketing”, has observed that people are comfortable with things that are familiar. The brand that is familiar is reliable and of reasonable quality. A recognized brand will be selected in preference to an unknown brand. An unknown brand has little chance. 100

HARISH R., (2008) in his research article “The Concept and Origin of Brand Architecture: A Comprehensive Literature Survey”, explained that attitudes are very important as they form the basis for the consumer behavior. Attitudes are viewed as function of the salient beliefs that a consumer has about the brand with certain attributes and the evaluative judgment of those beliefs.

99 Verbatim, Marketing Mastermind, May-2008, p.1
100 Natarajan L, “Retail Marketing”, Margham Publications, Chennai, 2008, p.4.11
A brand has four distinguishing characteristics:

- A name for verbal identification of the product.
- A symbol by way of logo, color, design and packaging form.
- An object that distinguishes the product from competing products or Services.
- A concept that conveys the product’s meaning and significance.

When companies have multiple number of products it becomes necessary to think about the system of names and symbols (brand names, logos, colors etc.) to be used for identifying and positioning the individual products.\(^{101}\)

MEENAL DHOTRE, (2008) in her article “Enticing Customers through Psychological Pricing”, has mentioned that the value of a brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of customers.\(^{102}\)

RUDRA SAIBABA, RANA PRATAP V AND VADDE SURESH, (2008) in their article “Consumer Behavior towards Two-wheeler”, have concluded that generally, at the time of purchase of two-wheelers, consumers give importance to factors like mileage, price, performance, maintenance, driving safety, life period, style, etc.

He also observed that in a developing country like India, where a sizeable proportion of the population comprises of the middle class, and where 70% live in rural areas, a two-

---


wheeler (particularly a motorcycle) is considered to be the most suitable vehicle. The Indian consumer’s brand preference for two-wheelers is based on mileage, price and maintenance cost and road conditions.

Keeping in view the ever increasing ‘growth rate’ of population, prevailing standard of living and cost of the vehicles, two-wheelers would continue to dominate the automobile industry in India.  

GUPTA C. B AND RAJAN NAIR N, (2009) in their book “Marketing Management”, have concluded that a business exists to satisfy human needs. Therefore, business must first find out what the consumers want and then produce goods according to the needs of consumers. Only such products should be produced which best satisfy consumer needs and at a profit to the maker. In the words of Levitt Gupta, “Instead of trying to market what is easiest for us to make, we must find out much more about what the consumer is willing to buy. In other words, we must apply our creativeness more intelligently to people, and their wants and needs, rather than to products.”

THE ECONOMIC TIMES, (2009) CHENNAI: TVS Motors registered a growth of 3% in its two-wheeler sales for the financial year 2008-09. Releasing sales figures for March 2009, a communiqué from the company attributed its growth to its exports and scooter sales, which grew by 25% and 44% YoY respectively. Exports have shown a cumulative monthly sales growth of 41% for the year 2008-09.

The company’s sales for March 2009 stood at 1,21,988 units, a 4% growth over the same period last year, when it posted sales of 1,17,045 units. Segment wise, while scooters registered maximum YoY growth of 44%, mopeds grew by 7.3%, and motorcycle sales fell by 8.4% in the same period. Motorcycle sales, however, grew cumulatively by 3% monthly over the financial year 2008-09.\textsuperscript{105}

**BUSINESS INDIA, (2009)** It was reported that TVS Motor Company had entered into a Memorandum of Understanding (MOU) with Mahabharat Motors Manufacturing Company Private Limited, where the latter will assemble TVS' products as a contract manufacturer at its plant on a 64-acre plot at Uluberia, 50 km near Kolkata. TVS Motor Company will introduce their world-class quality control standards and assembly procedures in the project. It has now been officially confirmed that the products would be manufactured under the brand name of TVS.\textsuperscript{106}

**TIMES OF INDIA, (2009)** TVS, whose vehicles would be manufactured in the state as part of a contract manufacturing tie-up, remains optimistic about its prospects despite the troubles faced by Tata Motors at Singur. "We are confident about our plans in West Bengal and believe it is a good place to be in," said Venu Srinivasan, CMD of TVS Motors who is also the president of apex industry chamber-CII.

Srinivasan said manufacturing of TVS two-wheelers in West Bengal will also give the brand additional visibility in the state and the eastern region. "It gives us greater credibility in the area while also cutting down logistics cost," he said. TVS is believed to

\textsuperscript{105} "The Economic Times", April 2\textsuperscript{nd}, 2009.

\textsuperscript{106} "TVS Motor to contract-manufacture bikes for Mahabharat Motors", Wheels Unplugged, *Business India*, 11\textsuperscript{th} April 2009.
be looking at rolling out its entire portfolio from the location, including motorcycles, scooters and mopeds. Srinivasan said the initial production capacity from the plant would be around 25,000 units annually that can be ramped up further, as and when required.\textsuperscript{107}

\textbf{SWARAJ BAGGONKAR,} (2009) writes in “Business Standard” that H S Goindi, head, sales and marketing, TVS Motors, said: “The new products to be launched this year (2009) will improve sales significantly. We are working with our customers and dealers to enhance our serviceability. We will begin to see the positive effect in the next couple of months.”\textsuperscript{108}

\textbf{RAJKUMAR S AND RAJAGOPALAN V,} (2009) in their book “Sales and Advertisement Management”, have highlighted the importance of advertising. According to them advertising is an integral part of modern life and its persuasive ability has a large impact on society. It has a large responsibility within our economic system and is a highly visible and institution affecting many people.\textsuperscript{109}

“Whatever happened to ignite the market for motorcycles in India is one of those mysteries which will never be explained satisfactorily”.

- Business Line, January 2001

\textsuperscript{107} “Times of India”, 11 April- 2009, 0027 hrs IST
\textsuperscript{108} Swaraj Baggonkar, Business Standard, Mumbai, April 15, 2009.