EXECUTIVE SUMMARY

Innovation has enabled mankind in its continued quest for new and improved solutions. However, development of innovative products in modern times is often intensively planned, long drawn and capital intensive. Inspite of these meticulous efforts, the success rate of new products in the market is poor.

This research has been motivated by the professional marketing practice of the researcher in launch of new categories of lubricants and it focuses on the impact of marketing channel and promotion strategies of lubricants marketing companies, on adoption and usage of synthetic lubricants for two-wheeler motor vehicles powered by four stroke petrol engines. Lubricant companies distribute lubricants for two-wheelers through retail, reseller and workshop channels with aggressive advertisement and sales promotional campaigns. Yet, adoption and usage of synthetic lubricants has met with limited success. Marketing of new products therefore remains a serious challenge and poses the prime research problem.

An extensive literature survey has been carried out on relevant research in the domains of marketing mix, channel strategies, promotion strategies, consumer behaviour, new product adoption, synthetic lubricants and lubricants marketing published in reputed international and Indian journals to identify research gaps, which are absence of studies on awareness, adoption and usage of the newly launched low involvement product category of synthetic lubricants for two-wheelers in India, the most effective media to create
awareness of a new product, effect of sales promotion events, post purchase satisfaction, diffusion of information, sensitivity to high prices, value for money and personal economic factors on new product adoption.

Research Objectives drawn from research problem statements are as follows: to study the marketing channel and promotion strategies adopted by lubricants marketing companies and their impact, to assess awareness of two-wheeler users and mechanics regarding synthetic lubricants for two-wheelers, to study their buying behaviour, to study the role of the marketplace influencers and to study the factors influencing recommendations of two-wheeler mechanics.

In order to achieve these objectives, a set of 48 null hypotheses have been formulated, out of which, 42 null hypotheses pertain to two-wheeler users are summarized as: no difference in two-wheeler users who use synthetic lubricants compared to those who use conventional mineral oil based lubricants for their two-wheelers, with regard to awareness; availability; benefits of synthetic lubricants; involvement levels; interest levels; price sensitivity; perception of value for money; vehicle characteristics; demographic factors; consumer behaviour characteristics like Customer Innovativeness, Opinion Leadership, Market Mavenism and Two-Wheeler Enthusiasm; effect of different modes of advertisement and promotions; effect of marketplace influencers like Innovative Customers, Opinion Leaders, Market Mavens, social, online media including blogs and product category influencers like Motor Vehicle Mechanics and Salespersons of Lubricants shops: satisfaction levels; and brand loyalty. A further set of 6 null hypotheses
pertain to mechanics, which are summarized as: no difference in two-wheeler mechanics who recommend usage of synthetic lubricants compared to those who recommend usage of conventional lubricants for two-wheelers, with regard to perception of influence over users: awareness; knowledge; and behavioural characteristics like Commercial Motive and Opinion Leadership.

Research Methodology adopted for this research follows a descriptive research design. The target population for the study was three sets of population:

- The first set was users of 4 stroke petrol engine two-wheeler motor vehicles, who are in a position to exercise their choice on the type and brand of lubricant to purchase and use in their vehicle.
- The second set was owners and mechanics of independent workshops.
- The third set was owners and managers of vehicle manufacturers’ authorized service stations.

The sampling design comprised of:

- Two steps of sampling for the first set of target population, pilot survey on a sample size of 225 in Pune followed by final survey on a sample size of 400 in Pune, Nashik, Aurangabad and Solapur.
- Single step sampling on a sample size of 55 in Pune and Kolhapur for the second set of target population.
- Single step sampling on a sample size of 15 in Pune and Nashik for the third set of target population.
The research instrument used to collect primary data was a well-structured questionnaire for the pilot survey of the first set of population, which was slightly modified for the final survey, while that for the second set of population was also a separate questionnaire, whereas for the third set it was a structured interview on the basis of a prepared list of questions.

The primary data collected from respondents was edited, coded and analyzed using IBM SPSS 22.0 software. A mere 17% of two-wheelers, overwhelmed by motorcycles were found to be using synthetic lubricants. Out of the total 48 hypotheses, 38 hypotheses were tested using ANOVA test while the remaining 10 hypotheses, involving vehicle characteristics and demographic factors, were tested using Chi square test. Null hypothesis was accepted in case of 23 hypotheses while it was rejected and alternative hypothesis was accepted in case of the remaining 25 hypotheses, considering significance level of 0.05.

Exploratory Factor Analysis was performed on 19 scale items to reduce them to a grouping of few latent variables which explains the observed variables by extracting factors influencing mechanics in their recommendatory behaviour. Principal Component Analysis was used to transform the variables into uncorrelated composite variables or principal components. Orthogonal rotation was selected to yield factors in the final solution which have no correlation amongst them. The criteria used for final factor extraction were that the Eigen values, which are the sum of variances of factor values, should be greater than one and that the factor structure should be meaningful, useful and conceptually sound. Accordingly five factors were extracted, which have been labeled and
The research findings are as follows:

- There is significant difference in awareness of synthetic lubricants between users of synthetic lubricants and conventional lubricants.

- Adopters of synthetic lubricants are highly involved in the purchase process. This finding is contrary to the widely accepted categorization of lubricants as a low involvement product category.

- Users of synthetic lubricants exhibited significantly higher levels of interest in acquiring greater knowledge on the lubricants.

- Significant difference exits in sensitivity to prices and value for money between users and non-users of synthetic lubricants.

- Significant differences were also exhibited in adoption and usage of synthetic lubricants based on the characteristics of the vehicles owned by the individual respondents, like the category of the vehicle, age and the cubic capacity of the engine of their vehicle. However, owners displayed no difference in adoption levels of synthetic lubricants based on the make of their two-wheeler.

- Demographic characteristics like age, formal education, gender, marital status and family monthly take home income showed no difference in usage of synthetic lubricants while only occupation revealed significant difference.
• Adopters and users of synthetic lubricants were found to exhibit significantly higher levels of consumer behaviour traits like: Customer Innovativeness – Being among the first in their social circle to buy new technology products and willing to take calculated risks in doing so; Opinion Leadership – The ability to convince others on a specific domain and that others value their domain specific advice; Market Mavenism – Being the storehouse of marketplace information on new brands, types of products, their availability across markets and outlets; and Two-wheeler Enthusiasm – The extent of emotional attachment with their two-wheeler and enjoying long rides.

• Users of synthetic lubricants have not been swayed by advertisements through various media and it had no significant effect on users of synthetic lubricants compared to non-users.

• Sales campaigns at petrol pumps and free gifts were the only two out of the total of five means of below the line sales promotions campaigns done by lubricant marketers, which had a significant effect on usage of synthetic lubricants. The other means like sales campaigns at lubricants shops, discounts and lucky draws did not have any significant effect.

• There is significant difference in effect of marketplace influencers like opinion leaders, social and online media, mechanics and salespersons of lubricant shops, whereas it is not so in the case of influencers like innovative customers and market mavens.
• Users of synthetic lubricants were found to exhibit significantly higher level of satisfaction and brand loyalty, compared to users of conventional mineral oil based lubricants.

• Mechanics, irrespective of their recommendatory preference for synthetic lubricants, had similar perception on the influence exerted by them; awareness and knowledge levels regarding the features and benefits of lubricants. They however exhibited significant difference in their commercial behavioural characteristics like commercial motive and opinion leadership. Commercial consideration has been found to be a strong differentiating factor between the two classes of mechanics. Those avoiding synthetic lubricants fear loss of business due to reduced customer visits resulting from prolonged oil drain intervals, reduced wear of engine parts and lower incidences of downtime for maintenance. They also fear loss of customers, in case customers do not perceive any distinct advantage in using a higher priced product. Those recommending synthetic lubricants however put technical performance as the top most recommendatory criteria.

The research concludes that the industry failed to attract the attention of the target audience on the new product category of synthetic lubricants. However, below the line sales promotion campaigns conducted by marketers have been great attention pullers, interest generators and usage instigators. The users of synthetic lubricants are highly knowledgeable and involved in the product category. Marketplace influencers like opinion leaders, mechanics and
lubricant shop sales persons exert significant influence in purchase decisions of consumers on usage of synthetic lubricants. They play a key role in rapid diffusion and proliferation of adoption and continued usage of the new product category. They have in turn been impacted by the various direct marketing communications, personal selling and promotional campaigns unleashed by lubricants marketers.

Recommendations of this research are as follows: Lubricants marketers are recommended to thoroughly overhaul their marketing communication for promoting synthetic lubricants by differentiating synthetic lubricants from conventional lubricants, imparting greater emotional appeal in advertisements, incorporating concepts of greater value for money derived from their usage, modifying their promotion mix heavily in favour of below the line sales promotional campaigns to better engage with two-wheeler users and rapidly create a conducive environment where domain knowledge is actively sought and accessible to the target segment. They should segment mechanics based on their psychographic profile and thereafter deliver customized promotions appealing to needs of each of these segments.

A major contribution of this research is that it unearths existence of niche segments of innovators and early adopters of the product category of synthetic lubricants who have exhibited high levels of awareness, interest and involvement, contrary to the extant categorization of lubricants as a low involvement product category. It quantifies the extent of influence by marketplace influencers and various modes of promotions to identify the most
effective means, within each category. It extracts the factors influencing the recommendatory behaviour of mechanics, based on the influence of promotional strategies of lubricants marketers.

The research is limited to only one consumable product in low involvement category, namely synthetic lubricants for four stroke two-wheeler petrol engines; only one vehicle category, namely two-wheelers and only a few selected cities in one state of India. It is also limited to adoption and usage of the new product category compared to the conventional product category and does not analyze brand preference within the category.

There exists scope for future research in the domain of impact of marketing strategies of marketers on adoption and usage of other new innovative products in low involvement category, covering wider markets. Longitudinal studies can be undertaken to study the impact of increased awareness, involvement, exposure to social media and brand affinity.

**Keywords:** new product adoption, low involvement category, synthetic lubricants, influence, consumer behaviour.