CHAPTER 6: CONCLUSIONS
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The development of technological innovations, increase in living standards and disposable incomes, improvement of infrastructure, growth in economy and ease of commerce have created avenues for massive proliferation of business organisations in all categories of products and services. The modern business environment is rife with hyper competition amongst business firms. They are rapidly launching new, improved, differentiated and innovative products and solutions to retain their customers and attract prospective customers. Product lifecycles have shortened and so has decreased the ability of firms to continually rely on time tested standardized offerings of their products and services. Commercial organisations therefore find themselves in such a challenging state of volatile, uncertain, complex and ambiguous environment that they can survive and thrive only on the basis of successful marketing of innovations. The findings, conclusions and recommendations of this research study present significant insights for success in this area.

6.1 FINDINGS

This research is oriented towards the collective initiative of the lubricants industry, in its efforts of keeping pace with technological progress through launch and promotion of new innovative products. This research reveals to what extent they have succeeded in impacting the lives of people, to what extent they are in sync with consumer buying behaviour, how to rise above clutter, wipe away ignorance and disregard, what course of action in future can
harvest the best balanced results and how solutions should be presented for all to readily embrace and instill pride in all for being an integral part of a new unfolding story.

The findings of this research emanating from the hypotheses test results and factor analysis tests results are as follows:

6.1.1 This research reveals a low level of adoption and usage of synthetic lubricants, to the tune of only 17%. Given the large size of the total market, this indicates an enormous untapped potential and scope for rapid growth of the product category through enhanced adoption.

6.1.2 Awareness of the product category, its availability and its benefits is low but adopters showed higher levels than non-adopters. Awareness is one of the factors of adoption by a small segment of early adopters.

6.1.3 Involvement in the purchase process is moderate for majority, while adopters are highly involved and that they are innovators and early adopters (Rogers, 2003) of synthetic lubricants.

6.1.4 Adopters have higher levels of interest in acquiring greater knowledge on the lubricants than non-adopters.

6.1.5 Adopters are more aware of the initial higher prices and perceive the product as greater value for money compared to non-adopters.

6.1.6 Owners of recently purchased motorcycles having engines with higher cubic capacities displayed higher adoption.
6.1.7 Demographics characteristics like age, formal education, gender, marital status and family monthly take home income showed no difference in usage of synthetic lubricants and only the characteristic of occupation revealed significant difference, as self-employed individuals exhibited the highest adoption levels.

6.1.8 Adopters and users of synthetic lubricants exhibited significantly higher levels of consumer behaviour traits like: Customer Innovativeness, Opinion Leadership, Market Mavenism and Two-wheeler Enthusiasm.

6.1.9 Advertisement through outdoor hoardings, newspaper, magazines, radio, television or online did not entice adoption. All the advertisements attempted to build brand affinity, conveying the benefit message as a declaration by voice over, or by a celebrity like cricketer or a film actor, or using a mechanic as a brand ambassador. Although some of them mentioned synthetic or semi-synthetic, the same was not significantly highlighted or differentiated enough for the target audience to take notice.

6.1.10 Below the line sales promotions campaigns namely sales campaigns at petrol pumps and free gifts have a significant effect on adoption of synthetic lubricants compared to other means like sales campaigns at lubricants shops, discounts and lucky draws.

6.1.11 Marketplace influencers like opinion leaders, social and online media, mechanics and salespersons of lubricant shops impacted adoption of synthetic
lubricants, whereas it is not so in the case of influencers like innovative customers and market mavens.

The above findings indicate that the domain does not invoke much discussion amongst social circles of individuals. Early adopters who are innovative customers and individuals with vast knowledge about the market who are market mavens have not widely shared information on and experience with synthetic lubricants. The same appears to be limited within a small circle of two-wheeler enthusiasts.

Opinion leaders are on the other hand, individuals who are sought for their knowledge and approached regularly for their views and guidance. This research conforms to this dimension of opinion leadership and finds them to have significant impact on adoption of synthetic lubricants. With increased access, users sought information on the internet, accessed blogs and comments on social media, which had a significant impact.

Mechanics and salespersons of lubricant shops had a significant impact on adoption and usage, which reflects the high regard accorded to them as purported experts in the domain, importance given to their advice and the willingness of users to accept recommendations of these marketplace influencers.

6.1.12 Satisfaction level is high for majority while for adopters of synthetic lubricants, it is higher, indicating lower reason for customers to switch.
6.1.13 Brand loyalty of adopters of synthetic lubricants is higher, which can be interpreted as higher trust in the brand offering. It also indicates upgradation of consumers from legacy products to new innovative products contingent upon well built levels of trust over a period of time.

6.1.14 Mechanics irrespective of their recommendatory preference for synthetic lubricants had similar perception on the influence exerted by them as well as that exerted by lubricants shop sales persons on vehicle users.

6.1.15 Mechanics irrespective of their recommendatory preference for synthetic lubricants had similar awareness levels regarding the product and brands.

6.1.16 Mechanics irrespective of their recommendatory preference for synthetic lubricants had similar knowledge levels regarding on properties and functioning of lubricants.

6.1.17 Mechanics with recommendatory preference for synthetic lubricants, exhibited higher commercial behavioural characteristics like commercial motive and opinion leadership.

6.1.18 Psychographic profiles of mechanics have been revealed by the five factors influencing their recommendations. These factors are Personal Financial Benefits, Mass Visibility Benefits, Personal Esteem Benefits, Mass Awareness Benefits and Mass Engagement Benefits. This builds on previous work of Nejad et.al. (2014) on diffusion mechanism and psychographic profiles, for identification of influentials and targeting them.
6.2 CONCLUSIONS

This research provides insights into the marketing mix strategies in choice of channel mix and promotion mix being used by lubricant marketing companies in the target market and the impact of these strategies on adoption and usage of synthetic lubricants by two-wheeler motor vehicle users.

The research studied the channel and promotion strategies in detail. The approach of the research was to report on collective strategies of all brands and not to differentiate between strategies of individual brands to study the collective impact of these strategies of industry members on the adoption and usage of a new product category.

The research acknowledges the pole position occupied by the authorised service stations of vehicle manufacturing companies, in terms of sales volumes of two-wheelers. The research however noted with regret the lack of opportunity for exercise of choice of brand of lubricant by the vehicle user, in this channel. This restriction of choice imposed by the vehicle manufacturer is supported by the fact that vehicle owners have also exhibited low involvement, awareness and interest in the past. The lubricant marketers have however lapped up to this opportunity of a large captive channel. They have forged techno commercial tie-ups with vehicle manufacturers to launch genuine oils, increasingly in synthetics and obtain exclusive or shared supply arrangements to their service network, with expected large sales volumes.
The marketing efforts of lubricants marketers in the recent past, ever since the industry has been deregulated by the Government of India, have created a huge impact amongst consumers. Lubricants marketers have developed a distribution network of distributors and retailers, popularly known as the bazaar channel. These are serviced through a network of storage depots or carrying and forwarding agents, which are in turn fed directly from the lubricant oil blending plants of lubricants firms.

They have recognized the importance of independent service stations where lubricant change takes place. As customers are in a position to exercise their choice at such workshops, lubricants marketers have gone all out to woo these independent workshops, by incentivizing them, making them visible in terms of branding through sign boards, painting, providing uniforms for their mechanics, providing training to mechanics and so on, to ensure a positive recommendation by mechanics.

The traditional channel of petrol pumps for the public sector oil marketers has also been revived and energized. Many channel partners in this channel are effectively competing with other channels for sales. Apart from over the counter sales, some of them have developed both on-site and off-site workshops. One integrated oil company has also developed authorised service station of a two-wheeler brand within their petrol pump premises, turning the channel into a hybrid physical channel. All the integrated oil marketing companies have started setting up oil change machines and oil change centers in their petrol pump premises where their two-wheeler customer footfalls are
high. This has again changed the character of the channel to a hybrid or product and service, resulting into increased sales.

The research did not find evidence of latest generation technologically evolved channels like online, tele-marketing, electronic commerce channels in this industry on a sustained basis. Development of omni channel, incorporating seamless integration of online channel with brick and mortar physical presence of channel outlets is yet to take off. The industry therefore continues to remain traditional in its channel strategies. No evidence was found of exclusivity or a special emphasis on synthetic lubricants in any particular channel. It can best be stated that lubricants marketers are yet to evolve a focused channel strategy for synthetic lubricants.

Lubricant marketers have been amongst the highest spenders of advertisement through outdoor media. Inter-firm rivalry in the industry is intense. This has prompted rapid learning to adapt to a highly competitive industry and carve out innovative promotion mix strategies in the most cost effective manner.

Advertisement campaigns on satellite television channels of sports, news and entertainment have been engaged into by most of the major brands in the industry. As these are expensive media properties, the campaigns have been conducted in multiple bursts over short duration each. Radio advertisement has also been intermittently carried out over short durations.
Outdoor media advertisement through hoardings, bill-boards, banners, gantries, arches, signboards and such other means have been most widely been resorted to by lubricants marketers. The print media has been used sparingly.

A notable omission of the industry has been the lack of focus on conveying the launch of a new product category of synthetic lubricants. The industry failed in attracting the attention of the target population by superior emotional and informational advertisement appeal. It could not rise above the clutter to convey the new category cogently. It could not generate sufficient buzz to create awareness and develop interest to initiate adoption.

Below the line sales promotion campaigns have been enthusiastically carried out by almost all the brands in the industry. Free gifts have been great attention pullers instigating a switch to the campaigning brand. Lucky draws, in terms of coupons and scratch cards have also been popularized with reasonable success. Personal selling campaigns organized at workshops, shops and petrol pumps have also been opportunities to engage with customers to educate them and instill brand preference in them. Trade fairs, automotive fairs and agricultural fairs have also seen active participation by the industry.

All these promotional strategies have impacted the buying behaviour of consumers significantly. This research concludes that adoption of the new product category of synthetic lubricants for two-wheelers have been as a result of such multi-pronged strategies of lubricants marketers to such an extent to force a relook into certain commonly held beliefs about the product category.
The psychographics of adopters of synthetic lubricants are discussed next.

Adopters of synthetic lubricants exhibit significantly increased levels of awareness and interest. Lubricants are bracketed in marketing literature as a low involvement product category. This research concluded significantly higher level of involvement by adopters of synthetic lubricants. They have also exhibited significantly higher levels of price sensitivity and value for money. They have expressed higher customer satisfaction levels and exhibit higher brand loyalty.

Demographics of adopters are users of newer motorcycles with higher engine capacities and self-employed professionals and business persons.

Adopters are individuals who exhibit consumer behaviour traits of consumer innovativeness, opinion leadership, market mavenism and two-wheeler enthusiasm are the individuals who are most positively impacted by communications of lubricants marketers.

Adopters have also been significantly influenced by marketplace influencers like opinion leaders, mechanics and lubricant shop sales persons. These influencers in turn have been impacted by the various direct marketing communications, personal selling and promotional campaigns unleashed by lubricants marketers, specifically targeted at these intermediaries.

Mechanics of independent workshops are among the prime influencers of customers in their purchase decision on the type and brand of automotive lubricants and they are aware of this fact. This awareness of susceptible
customers along with the perception of trust they enjoy and expertise they display, imparts significant cogency in their commercial dealings with their customers. This research provides insight into the factors influencing these mechanics. Five factors have been extracted, which have been labeled as personal financial benefits, mass visibility benefits, personal esteem benefits, mass awareness benefits and mass engagement benefits. Each of these factors depicts a bundle of influences impacting the commercial recommendatory behaviour of mechanics.

This research therefore indirectly highlights the need for increased awareness and involvement of customers regarding automotive lubricants, as not all recommendations of mechanics are in the best interests of the customer. A large segment of vehicle owners prefer to use services of non-franchised independent mechanics. It is therefore imperative that these mechanics are properly trained, regularly updated and that it is ensured that they use spares, consumables and lubricants of proper specifications. This can be ensured to a large extent by well informed and vigilant customers.

6.3 RECOMMENDATIONS

Awareness being the first step in adoption process, followed by interest, the prevailing low levels of awareness and interest amongst the prospective customers at large does not support rapid adoption. Lubricants marketers are recommended to thoroughly overhaul their marketing communication content by differentiating synthetic lubricants from mineral oil based lubricants.
Domain knowledge of both users and mechanics of two-wheelers, on lubrication process and lubricant products, is a prime pre-requisite to appreciating the superiority of the new product category, following which the expected change in purchase behaviour is displayed. Marketers are therefore recommended to rapidly create a conducive environment where domain knowledge is actively sought and accessible to the target segment.

The concepts of value for money or the total cost of ownership of the product over its life cycle play a decisive role in cognitive purchase decisions on high value products. Low adoption of synthetic lubricants arises from aversion to the initial higher purchase price. Marketers are recommended to devise communication strategies to induce a change in the customers’ cognitive process to accord due credence to long terms benefits of extended oil drain intervals, lower vehicle down time and lower expenses on maintenance and replacement of spare parts, which over-weigh the pain of initial high price.

Involvement of two-wheeler users in lubricant purchase process is divergent, with adopters exhibiting high involvement levels and non-adopters exhibiting low involvement levels. Surrogate involvement in the product category is achieved in the case of individuals emotionally attached to their high performance motorcycles. With rising living standards, disposable income and penchant for achieving an icon status in their social circle, two-wheeler users are expected to migrate to high end vehicles, which will fuel their involvement levels and lead to higher usage of synthetic lubricants. Lubricant marketers are
recommended to align their offerings in line with the technical requirements of higher performance two-wheelers and obtain genuine oil tie ups.

With increasing sophistication of engine technology, maintenance of vehicles is expected to shift from unbranded, non-affiliated independent workshops to vehicle manufacturing company authorized service stations. Lubricant marketers are recommended to align their channel strategies to increase their exposure to this channel. Service as a component in any composite offering is often a differentiating factor to gain repeat sales. Rapid expansion of mechanized oil change service at petrol pumps and quick oil change centers is also recommended, in order to yield positive results to lubricants marketers.

Lubricant sale, in India, currently happens through physical channels only while preliminary presence has been registered in e-commerce portals of online retailers, which is expected to grow, in keeping with the trend seen in fast moving consumer goods. The trend of omni channel exposure is also expected to catch up with physical channels for look and feel, online portals for convenient and economical purchase transaction, doorstep delivery from physical network followed by rendering the service of changing oil at a convenient location and time. Marketers are recommended to gear up launch of such a seamless experience to customers to capture greater mindshare leading to enhanced market share.

Advertisement in the electronic, print and outdoor media have not succeeded much in evoking migration towards usage of the product category. The content
of most of the advertisements were limited to functional aspects of the product without a clear communication regarding a category changing innovative product introduction with a quantum jump in benefits and value for money. The advertisements had little emotional or catchy aspirational status content to rise above clutter and grab the attention of the target audience. Marketers are recommended to rectify this lacuna by imparting greater emotional appeal.

Below the line sales promotion campaigns have been most effective in initiating a trial purchase. Lubricants marketers have been excelling in their innovative approaches with varied promotional offers, tweaked and altered from time to time and attractive incentives for both their channel partners as well as end customers. Further personal selling interactions with the target audience at fairs, road shows and sales campaigns, have proven to be a highly effective means for convincing prospects and achieving a trial purchase, as the communication by a seasoned seller is customised at the spur of the moment and balances the type, quality, depth and extent of information to be shared to reduce uncertainty and dissonance in the customer’s mind. Lubricants marketers are therefore recommended to modify their promotion mix heavily in favour of below the line sales promotional campaigns.

As marketplace influencers and social network influencers exert decisive influence over lubricant purchase decisions, lubricants marketers are recommended to increase their engagement with these influencers to ensure their continued positive recommendations and counter negative word of mouth publicity. Individuals qualifying as innovative customers, opinion leaders,
market mavens and two-wheeler enthusiasts share their interests, expertise, domain information and brand experiences on social media, domain specific social websites, special interest group portals and blogs. In view of the increasing prices of lubricants and conflicting recommendations of mechanics and lubricants shop salespersons, accentuated by their own limited domain knowledge, facilitated by widespread access to mobile internet, two-wheeler users are increasingly going online for seeking expert advice on lubricants, in addition to word of mouth publicity by social influencers. Lubricants marketers therefore should be on their toes to put processes in place to continually scan the internet for brand experience exchanges and should chip in with alacrity to provide open, honest and complete declaration on any query, observation, comment or expression of service deficiency.

In spite of all the direct marketing communication strategies of lubricants marketers, which serves limited purpose in a low involvement product category like automotive lubricants, two-wheeler users generally do not exhibit purchase behaviour directly related to brand awareness. A major chunk of two-wheeler users are expected to continue to rely on their neighbourhood mechanics of independent workshops for maintenance and lubrication services of their vehicles and these mechanics have been observed to largely usurp the decision making, as strong influencers since they are perceived to be experts in their domain. Lubricants marketers are therefore recommended to focus their marketing strategies on influencing these influencers of automotive lubricants customers. Marketers engaged in designing promotional mix are
well advised to segment mechanics based on the five factors extracted, which indicate their psychographic profile, governing their recommendatory behaviour. They should thereafter design and deliver customised promotions appealing to needs of each of these segments.

6.4 CONTRIBUTIONS

This research contributes significantly to the body of knowledge in the domain of marketing of innovative low involvement category products.

It has probed the very foundation of our commonly accepted inclusion of automotive lubricants in the segment of low involvement category products, as is evident from extant literature on marketing management. A niche segment of early adopters of the product category of synthetic lubricants have exhibited high levels of awareness, interest and involvement. This is one of the most significant contributions of this research. This enriches our knowledge by unearthing the hitherto unexplored customer segment.

This research unearths existence of continuum within the broad product category, where significant differentiation in consumer attitudes is exhibited, in terms of decision swings favouring opposite poles along the emotional and logical considerations. Emotional attachment with the equipment is related to pride and status enjoyed by display of ownership of a product. Hence a high quantum of decisions to ensure their upkeep originates with an overdose of emotional content. Owners of new and high performance commuting motor
cycles have displayed such behaviour with regard to their lubricants usage, which borders on the emotional extreme.

The demographic characteristic of nature of occupation as an important factor in adoption behaviour is one of the important contributions of this research. Self-employed professionals and business persons have differentiated themselves from service class individuals in terms of their purchase behaviour. Extant marketing literature hitherto gave cognizance to factors like age, education, wealth, culture and so on, in the study of consumer behaviour. This research throws up an important factor of occupation as an important contributing factor.

Research on consumer behaviour constructs has not gained popularity in India. An important contribution of this research has been the development of a new construct of two-wheeler enthusiast comprising of several constituent dimensions, out of which two dimensions are most important. Alongside this newly developed construct, this research has tested the constructs of innovative customers, opinion leaders and market mavens. All of these four constructs stood out in this research as distinctly identifiable by their differentiated domain specific purchase behaviour.

This research goes deep into the all the modes of promotion mix deployed by lubricants marketers encompassing both above the line and below the line promotion in various media and records the extent of self-designated influence.
levels as perceived by consumers. This research provides a comparative score of the influencing effect of various modes of promotion.

Whereas advertisement and sales promotion are means of direct communication by marketers with the target audience, communication of independent channel intermediaries and marketplace influencers with prospective customers, also constitute an indirect communication by marketers, resulting from the impact they create on intermediaries and influencers. The conclusion that opinion leaders, from amongst the social circle of consumers, plays the critical role of marketplace influence to promote adoption of new and innovative products in this product category, is a significant contribution of this research.

Several researches in the past had reported finding that mechanics play an important influencing role in the lubricant purchase decision of vehicle users. This research contributes to the body of marketing knowledge by not only just confirming the finding but also probing further and extracting the factors behind the recommendatory behaviour of mechanics based on the influence of promotional strategies of lubricants marketers. The research extends the sources of influence to include lubricants shop salespersons as a class of influencers who also wield significant influence.

6.5 LIMITATIONS

Based on the research methodology adopted, the following may be stated as limitations of the research study:
6.4.1 It is limited to only 4-stroke petrol engine two-wheeler motor vehicle users in only four urban markets namely Pune, Nashik, Aurangabad and Solapur in the state of Maharashtra in India.

6.4.2 It is limited to users who are in a position to exercise their choice in purchase of the type and brand of lubricant and therefore may not be representative of buying behaviour with respect to choice of channel.

6.4.3 It is limited to the usage of a particular product category and does not include related product categories like spares, accessories, consumables, or unrelated product categories in low involvement or high involvement categories for a comparative study across product categories or involvement categories.

6.4.4 It is limited to the category of privately owned personal mobility vehicles as two-wheelers are generally not owned for commercial usage. This negates the possibility of a comparative study.

6.4.5 It is limited to adoption and usage of a new product category compared to a conventional product category and does not analyze brand preference within the category.

6.6 SCOPE FOR FUTURE RESEARCH

Whereas the current research provided answers to the research questions, there exists scope for future research in the domain of impact of marketing
strategies of marketers on adoption and usage of new innovative product categories as follows:

6.5.1 Future research can extend to:

- other market classes like semi-urban and rural areas,
- other geographies like different states and countries,
- localities with wide variations in their socio-economic profile,
- vehicles of all categories in addition to two-wheelers,
- comparison between usage in vehicles for personal mobility and those for commercial usage,
- all types of lubricants like engine oils, gear oils, transmission oils, power steering oils, hydraulic oils, greases, fuel additives, radiator coolants and brake fluids used in different categories of vehicles and
- all types of other consumable products requiring periodic replacement in vehicles like tyres, batteries, spares and accessories.

6.5.2 Future research may incorporate the following additional factors which are expected to change over time:

- expected increase in awareness of consumers regarding new innovative product categories,
- change in involvement due to increase in product complexity, durability, performance and price,
- change in consumer exposure to social and online media due to wider access through improved internet connectivity,
• change in income levels, disposable income and affluence,
• change in preference of vehicle users in terms of patronage of branded servicing network or independent workshops, due to increased sophistication in engine technology.

6.5.3 Future research may develop new constructs to better reflect evolution of marketing with changes in lifestyle, as follows:

• propensity of consumers towards opportunities of co-creation of innovative solutions by marketers,
• emotional and enthusiastic affiliation to a brand community of companies with sustainable management practices incorporating performance on the triple bottom line of profit, planet and people to improve economic, environmental and social impact on society.

6.5.4 Further research may be conducted on recommendatory behaviour of market influencers to extend this study to the cover service categories like medical, legal, education, maintenance, investment, travel services and so on, where customers need to trust and rely on their influencers.