A STUDY ON CUSTOMER SATISFACTION LEVEL OF ROYAL ENFIELD BULLET

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Abstract
The automotive industry in India is one of the largest in the world and one of the fastest growing globally. India manufactures over 18 million vehicles (including 2 wheeled and 4 wheeled) and exports more than 2.3 million every year. It is the world's second largest manufacturer of motorcycles; there are eight key players in the Indian markets that produced 13.8 million units in 2012-13.

The Indian two wheeler industry has come a long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa scooters in India. Since then, the customer preferences have changed in favour of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expenses of metal-bodied geared scooters and mopeds. These changes in customer preferences have had an impact on the fortunes of the players. The erstwhile leaders have either perished or have significantly lost market share, whereas new leader emerged.

Consumers are very important for the survival of the motor vehicle manufacturing industry. In 2008-09, customer sentiment dropped, which burned on the augmentation in the demand of cars. The key to success in the industry is to improve labour productivity, labour flexibility and capital efficiency. If a customer experience of a product or dealer service exceeds his/her expectations, then the exceed amount will equal satisfaction and conversely, if the customer's experience falls short of expectation, the short fall will be equal dissatisfaction. Thus, customer satisfaction is the art of managing customer expectation and experience. Many companies are fighting are share of flat or fading markets. Thus, the cost of attracting new customer is rising. In fact, it costs five times as much to attract a new customer as it does to keep a current customer satisfied.

This study on customer satisfaction is being associated with one of the leading two wheeler company the Royal Enfield in the following paragraph a brief note on the problem that has been undertaken as the subject matter is explained. In this project report, we will find out the satisfaction level of the Royal Enfield Bullet owner in Bangalore city. The problem it is facing in the present market scenario. This project evaluates the various factors that keep the customer satisfied. It also evaluates the various factors that influence a customer to buy the bullet. While selecting a bullet various aspects that have to be given a thought with respect to Brand image, Colour, Fuel-efficiency, Technology used, etc. A questionnaire was designed to conduct a survey and the data so collected from appropriate respondents was analysed using a statistical package called SPSS and a One-way Anova test was done to test the hypothesis.

Keywords: Brand Image, Questionnaire Survey, Customer Satisfaction.

1. Introduction: ERP Market – Indian Scenario
At present the dominant products of the automobile industry are two wheelers with a market share of over 75% and passenger cars with a market share of about 16%.commercial vehicles and three wheelers share about 9% of the market between them. The industry has attained a turnover of more than USD 35 billion and provides direct and indirect employment to over 13 million people. The Indian two wheeler industry has come a long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa scooters in India. Since then, the customer preferences have changed in favour of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expenses of metal-bodied geared scooters and mopeds.

These changes in customer preferences have had an impact on the fortunes of the players. The erstwhile leaders have either perished or have significantly lost market share, whereas new leader emerged. With an expanding market and entry of new player of last few years, the Indian two wheeler industry is now approaching a stage of maturity. Previously, there were only a handful of two wheeler models available in the country. Currently, India is the second largest producers of two wheeler in the world. It stands next to the China and Japan in terms of number of two wheeler produced and sales of two wheeler respectively. There are many two wheeler manufacturing company in India. The major players in the 2 wheeler in industry are Hero Honda, Bajaj Auto Ltd, TVS Motor Company Ltd and Honda Motorcycle and Scooter India, private limited (HMSI) accounting over 93% of the sale in the domestic two wheeler market. It is noteworthy that motorbikes segment's share is just below 80% of the total 2W market in India which is dominated by Hero Honda with a market share of 59%. Scooter segment's market share is about 18% which is led by Honda Motorcycle and scooter India, private limited (HMSI) with a market share of 43%. Three fourth of the total exports in the two wheeler automobile industry are made in the motorcycle segment. Exports are made mainly for south East Asian and SAARC nations. The level of technology change in the motor vehicle industry has been high but, the rate of change in technology has been medium.

2. Objectives
1. The present study has been conducted in order to know the customer awareness level of Royal Enfield Company's product range.
2. To make a satisfaction analysis of people on the performance, aesthetics, features, serviceability and company image of Royal Enfield Bullet they own.
3. To analyses the attitude and perception level of people towards the Royal Enfield Bullet they own.
4. To offer suggestions based on the findings and the hypothesis testing.

3. Research Methodology
This paper is an empirical paper which has been written after doing an exhaustive literature review of several similar papers. A primary and descriptive research was done with a sample size of **100 employees** working on the ERP Platform using the **convenient and judgmental sampling technique**. A structured **questionnaire** was prepared for the purpose of data collection and the responses were analysed using **SPSS software**. The hypothesis was tested using **One-way ANOVA**.

4. Statement of Problem
Royal Enfield is a company which started its business in 1948 with its product such as bullet and has been a prestigious brand and lived up to its name like a royal till date. Royal Enfield has done quite well all over the world but it has done marvelous business in South India, especially in the city of Bangalore. As the competition from several 100cc two-wheelers is rising, it is very interesting to know whether the current customers of Royal Enfield Bullet are happy with the brand and their opinion about various attributes of Royal Enfield Bullet and their satisfaction.

5. Hypothesis
H0: No significant association between the company image of Royal Enfield and occupation of the buyers
H1: A significant association between the company image of Royal Enfield and occupation of the buyers

6. Review of Literature
6.1 Two wheeler Industry in India
Devang Desai,It has been more than 50 years now that bikes have been ruling the Indian automobile sector. In 1955 the Indian government needed study and reliable motorcycles for its army and police to patrol the rugged border highways. The first batch of 350cc Bullet the super bike in India of all times, from the Royal Enfield Company of UK were received and assembled at Chennai. Since then, bikes in India have been flourishing as a two wheelers segment and Indian bikes gaining on popularity all across the world. Talking of bikes cc, bikes having four-stroke engines are thought to be more fuel efficient motorbikes. They are the main reason for the growth of motorbikes in India as a segment. Indian bikes market share is about 81.5% of the total two wheeler

market in India. Three-fourth of the total exports in the two wheeler automobile industry is made in the motorcycle segment. Exports are made mainly to South East Asian and SAARC nations.

6.2 A Study on Customer Satisfaction towards various brands of two wheelers in India

Shivamba M,India is the second largest manufacturer and producer of two-wheelers in the world. It stands next only to Japan and China in terms of the number of two-wheelers produced and domestic sales respectively. This distinction was achieved due to variety of reasons like restrictive policy followed by the Government of India towards the passenger car industry, rising demand for personal transport, inefficiency in the public transportation system etc.

The Indian two-wheeler industry made a small beginning in the early 50s when Automobile Products of India (API) started manufacturing scooters in the country. Until 1958, API and Enfield were the sole producers. In 1948, Bajaj Auto began trading in imported Vespa scooters and three-wheelers. Finally, in 1960, it set up a shop to manufacture them in technical collaboration with Piaggio of Italy. The agreement expired in 1971.In the initial stages, the scooter segment was dominated by API, it was later overtaken by Bajaj Auto. Although various government and private enterprises entered the fray for scooters, the only new player that has lasted till today is LML.

Under the regulated regime, foreign companies were not allowed to operate in India. It was a complete seller market with the waiting period for getting a scooter from Bajaj Auto being as high as 12years. The motorcycles segment was no different, with only three manufacturers via Enfield, Ideal Jawa and Escorts. While Enfield bullet was a four-stroke bike, Jawa and the Rajdoot were two-stroke bikes.

The motorcycle segment was initially dominated by Enfield 350cc bikes and Escorts 175cc bike. The two-wheeler market was opened to foreign competition in the mid-80s and then market leaders – Escorts and Enfield - were caught unaware by the onslaught of the 100cc bikes of the four Indo-Japanese joint ventures. With the availability of fuel efficient low power bikes, demand swelled, resulting in Hero Honda.

6.3 The Electra Difference

Gary Gonsalves,The main variation between the Standard and the Electra is that latter uses TCI (Transistor Coil Ignition) which is much more reliable, durable, has lower maintainable and increases power and mileage. On the other hand the standard model uses the old points system like in the old Maruti 800, we have to adjust it again and again, besides it's very unreliable.The other differences between Standard and Electra are that, Electra has gas and telescopic shocks at front and rear, much more advanced wiring and electronics, gives more mileage and power, is bigger and heavier to increase stability, has an engine cutoff switch, both mudguards are chromed for that classic look, Electra has much costly and upgraded paint used on it, Electra has better braking system at rear than Standard, Electra has a bigger coil to produce more amperes of current even at low rpms (revolution per minutes) these were the main differences between the Electra and the Standard.
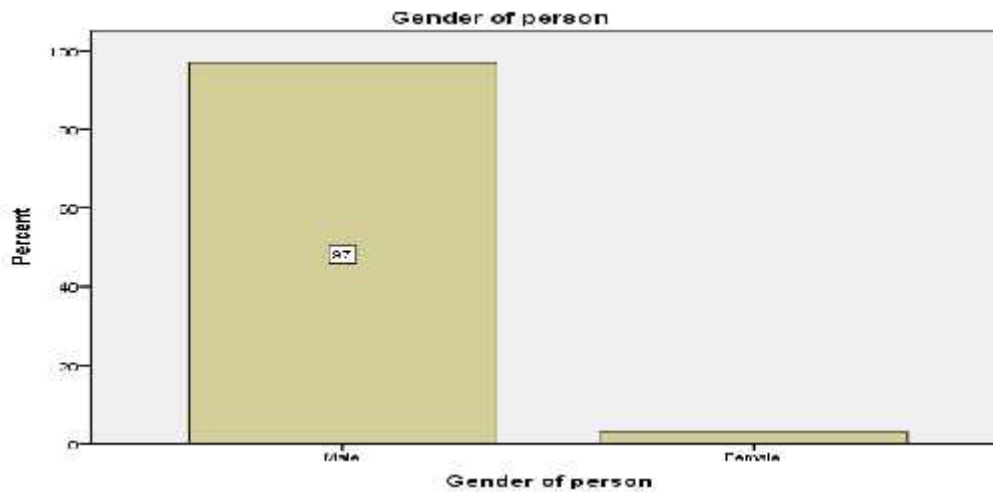
7. Analysis & Discussions

7.1. Classification of Respondent's based on their Gender

Frequency Table 7.1

Gender of person		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	97	94.2	97.0	97.0
	Female	3	2.9	3.0	100.0
	Total	100	97.1	100.0	
Missing	System	3	2.9		
Total		103	100.0		

Bar Graph: 7.1

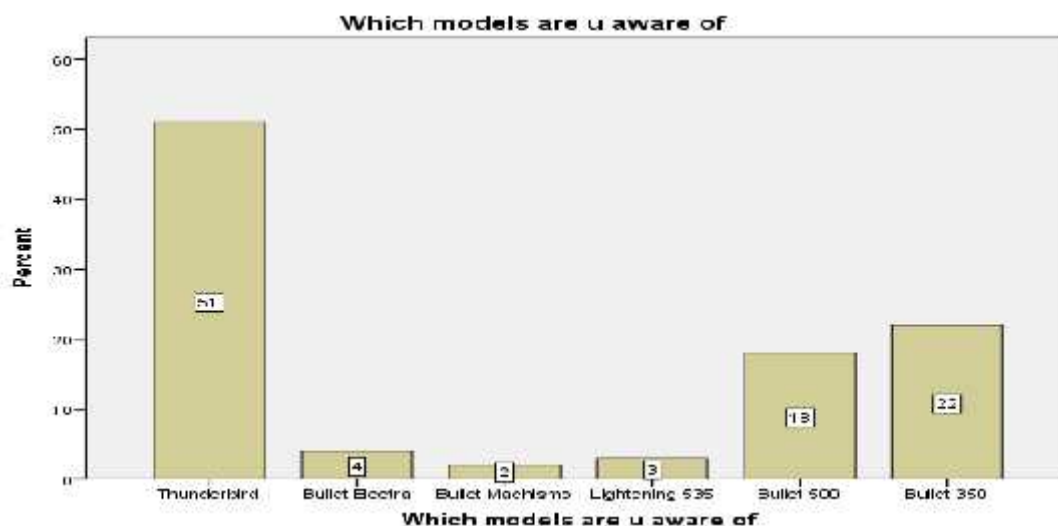
Analysis & Interpretation
Based on the above graph, out of 100 respondents 97 % respondents are male and followed by 3% respondents are female. Most of the respondents are male who uses Royal Enfield Bullet.

7.2. Classification based on Brand Awareness

Frequency Table 7.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Thunderbird	51	49.5	51.0	51.0
	Bullet Electra	4	3.9	4.0	55.0
	Bullet Machismo	2	1.9	2.0	57.0
	Lightening 535	3	2.9	3.0	60.0
	Bullet 500	18	17.5	18.0	78.0
	Bullet 350	22	21.4	22.0	100.0
	Total	100	97.1	100.0	
Missing	System	3	2.9		
Total		103	100.0		

Bar Graph: 7.2
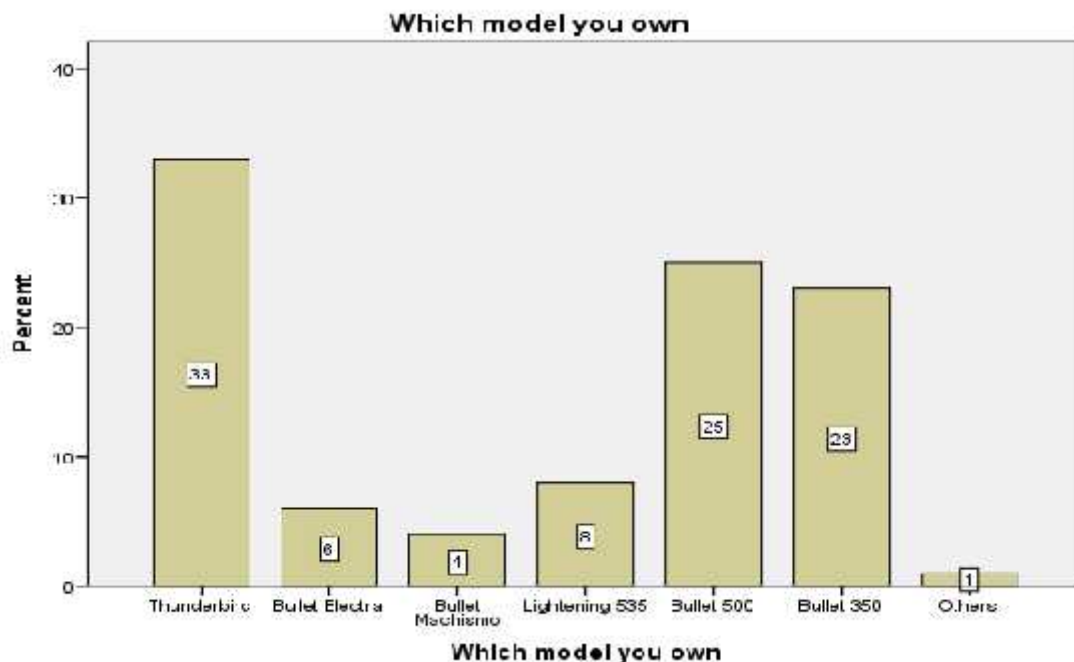
Analysis & Interpretation
Based on the above graph, out of 100 respondents 51% respondents are aware of thunderbird and followed by 4% respondents are aware of Bullet Electra and 2% respondents are aware of bullet machismo and 3% respondents are aware of lightening 535 and 18% respondents are aware of bullet 500 and 22% respondents are aware of bullet 350. Most of the respondents are aware of Thunderbird Bullet.

7.3. Classification based on based on Model Owned
Frequency Table 7.3

		Frequency	Percent	Valid Percent	Cumulative Percent
	Thunderbird	33	32.0	33.0	33.0
	Bullet Electra	6	5.8	6.0	39.0
	Bullet Machismo	4	3.9	4.0	43.0
Valid	Lightening 535	8	7.8	8.0	51.0
	Bullet 500	25	24.3	25.0	76.0
	Bullet 350	23	22.3	23.0	99.0
	Others	1	1.0	1.0	100.0
	Total	100	97.1	100.0	
Missing	System	3	2.9		
Total		103	100.0		

Bar Graph: 6.3
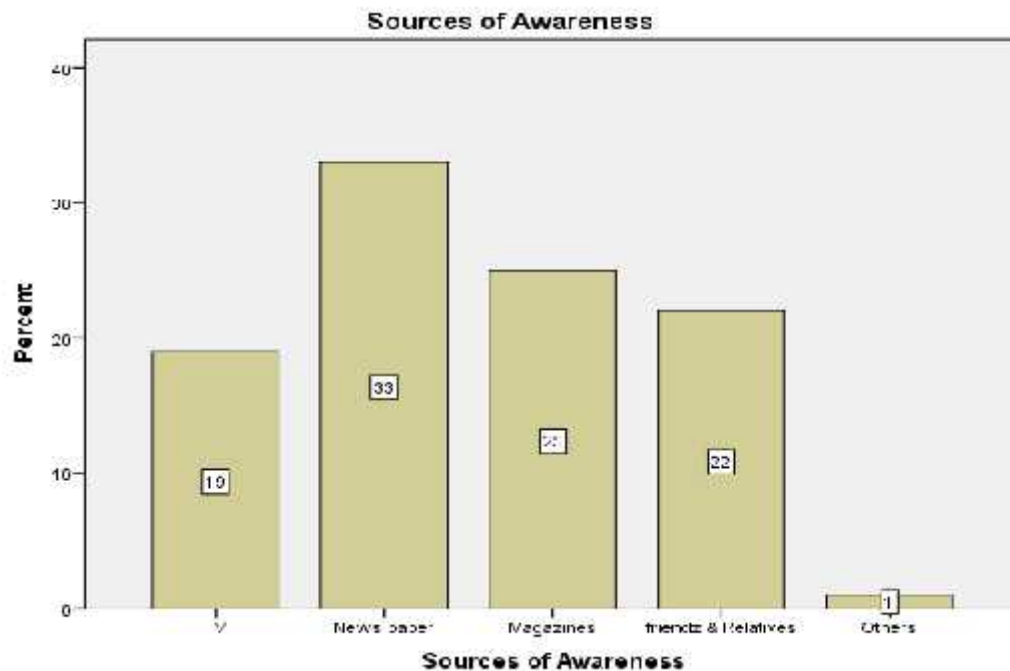

Analysis & Interpretation
Based on the above graph, out of 100 respondents 33% respondents own of thunderbird and followed by 6% respondents own of Bullet Electra and 4% respondents own of bullet machismo and 8% respondents own of lightening 535 and 25% own of bullet 500 and 23% respondents are own of bullet 350 and remaining 1% are others. Most of the respondents own Thunderbird.

7.4. Classification based on Sources of Awareness

Frequency Table 6.4

Sources of Awareness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TV	19	18.4	19.0	19.0
	News paper	33	32.0	33.0	52.0
	Magazines	25	24.3	25.0	77.0
	friendz & Relatives	22	21.4	22.0	99.0
	Others	1	1.0	1.0	100.0
	Total	100	97.1	100.0	
Missing	System	3	2.9		
Total		103	100.0		

Bar Graph: 6.4

Analysis & Interpretation

Based on the above graph, out of 100 respondents 19% respondents are aware about brand from tv and followed by 33% of respondents are aware about the brand from news paper and 25% respondents are aware about the brand from magazines and 22% respondents aware about the brand from friends/relatives and 1% respondents are aware from others. Most of the respondents are aware of newspaper ads.

8. Hypothesis Testing

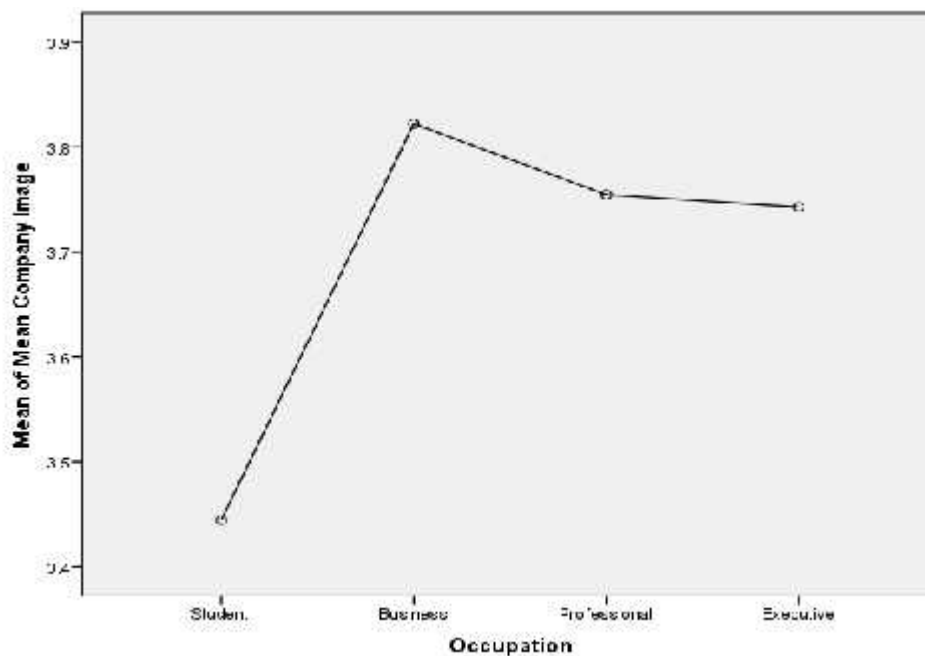**H0:** No significant association between the company image of Royal Enfield and occupation of the buyers
H1: A significant association between the company image of Royal Enfield and occupation of the buyers

8.1 Analysis

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One-way ANOVA

Descriptive

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Mean Company Image

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Student	27	3.44	.311	.060	3.32	3.57	3	4
Business	36	3.82	.243	.040	3.74	3.90	3	4
Professional	22	3.75	.289	.062	3.63	3.88	3	4
Executive	14	3.74	.241	.064	3.60	3.88	3	4
Total	99	3.69	.311	.031	3.63	3.75	3	4

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ANOVA

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Mean Company Image

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.387	3	.796	10.681	.000
Within Groups	7.078	95	.075		
Total	9.465	98			

Result

P Value (.000) is less than 0.05 signifies that there is an association between the company image of Royal Enfield and occupation of the buyers and therefore we reject the null hypothesis. It is usually the Business class people who look at the company image before buying the bike. At 5 % significance level, we can **reject the Null Hypothesis.**

Therefore there is a **significant association** between the **company image of Royal Enfield** and **occupation of the buyers**.

9. Some other Findings

1. 97% of the respondents are male and 3% are female in the survey conducted.
2. About 33% of the respondents fall under 18-25, followed by 37% under the age group of 26-35, followed by 29% under the age group of 36-45and 1% are 45 and above.
3. About 50% respondents are married and 50% are single.
4. About 53% are respondents are graduate, and 23% are post graduate, 18% are under graduate and 6% are professionals this indicates that they had an adequate educational background to support their responses.
5. About 27% of respondents are students and 36% of respondents include businessman, and 14% are executives and 22% are professionals and remaining 1% are soldiers and farmers.
6. About 31% of respondent's income falls less than 20000 and 15% of the respondents income is between 20000-30000, 42% of respondents fall under 30000-40000 and 12% of the respondents income is above 40000, which indicates that most of the Royal Enfield owners fall in middle class segment of Indians society.
7. Most of the respondents are aware of Thunderbird, Bullet Electra, Bullet 500 and Bullet 350 model of Royal Enfield bullet.
8. Most of the respondents own of Thunderbird, Bullet Electra, bullet 500 and bullet 350 model of Royal Enfield bullet.
9. The source of awareness of most of the respondent is through TV, News Paper, Magazines, Friends/relatives and others.
10. Most of the respondents prompt to buy based on the company image and style .
11. About 29% of the respondents are used of families, and 27% of the respondents are used for business, 30% of the respondents are used for office purpose and 12% of the respondents are college and remaining 2% are used for other purpose.
12. Most of the respondents were satisfied with the performance of their Royal Enfield Bullet.
13. Customers of Royal Enfield Bullet were not happy with overall sales service provided by the company.
14. Most of the respondents were not fully satisfied with the price, performance, utility benefits, aesthetics and service scheme of their Royal Enfield Bullet.
15. Most of the respondents were happy riding Royal Enfield Bullet and also they were overall satisfied with the performance of their Royal Enfield Bullet.

10. Suggestions

After making an exhaustive study, survey and influence regarding the customer satisfaction of Royal Enfield Bullet, it is very clear that the present marketing strategy requires greater attention to detail and lots of changes. The recommendations for improving the marketing strategy so as to reach the initial target of greater amount of sales and improve the present market share are as follows.

1) Product

The company has two choices by which they can satisfy the wants of the public, they are,

- Improving upon the present models and giving them a facelift by changing the styling of the presently available motorcycles. Technological advancement a vital role here. They should also increase the color choices and introduce new type of snickering, which would give a new look for the bullet.
- Introduce new models, which are not based on the present design. This will in turn help the company to entice new customers and thus improve the sales of the company.

2) Pricing

The pricing strategy presently followed is favorable since the motorcycles of 150cc & 180cc are charged around 55000 – 65000. The aim of the company should be to give better value for the money spent by the customer. If any changes are made to the existing models and they turn to be favorable, then the company may follow the pricing technique of "Value Added Pricing".

3) Promotional Strategies

The promotional strategies to be followed by the company in combination with the existing ones in order to increase product awareness amongst the public are as follows,

- Advertise for free test rides to the general public.
- Give more attention to the product by taking up stalls in major exhibitions, fairs and other trade expositions.
- By sponsoring local events like fashion shows, rock shows, intercollegiate events public attention can be captured.
- By holding regular bullet owners meet, which will in turn entice the press directly to give regular write ups in the papers and thus creating attention towards the company image and its product.

4) Advertising

The advertising strategies to be followed by the company are as follows,

- Make product based advertisements focusing on the quality, durability and reliability of the vehicle. The company should also show the bond amongst the company and vehicle owners. For e.g. the company can follow the kind of advertising that Bajaj Auto is presently following.
- The print ads will have to be placed in those magazines that reach the target market. For e.g. magazines like automobile magazines, magazines targeted at youth etc… the print ads should be curiosity creating, which would entice the public to take initiative and come to the dealer and find out more about the company & its products.
- Nowadays net advertising have also become popular and gained importance. The net advertising should be placed in some of the most popular websites like yahoo.com, indiatimes.com, and rediff.com. Etc… the net advertising should be attractive and bright with some light music played with it.

11. Conclusion

The study has helped Royal Enfield bullet dealers to understands whether the customers are satisfied are not. If not what are the main reason for dissatisfaction of customer towards the dealers and what are all the ways to improve the satisfaction level of customer towards dealer. We can come to conclude younger generation and middle age are more interested in Royal Enfield Bullet, the buying behavior is governed predominantly by the need for power and respect for the iconic Brand and users are mostly professional males, 20-35 years of age, including some students. Most of the customers are attracted to newly release classic 350/500, also customers are easily affording the price of Royal Enfield bike and customers are very loyal towards the brand Royal Enfield bullet. Royal Enfield should concentrate on its advertising campaign to reach the customer the millage of Royal Enfield Bullet Bikes is very economical and most of them prefer to buy there Bike Brand new from showroom with the spare parts available in market easily. Royal Enfield Bullet has an excellent satisfaction with in the customer for its sound, comfort, and safety.

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