

A STUDY ON CUSTOMER'S PREFERENCE TOWARDS ROYAL ENFIELD BIKES

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Abstract

The project examined “**A STUDY ON CUSTOMER'S PREFERENCE TOWARDS ROYAL ENFIELD BIKES.**” The automotive sector in India stands as one of the globe's largest and fastest-growing industries. With an annual production of over 18 million vehicles, including both two and four-wheelers, and exports exceeding 2.3 million units, India commands a significant presence on the international stage. Notably, it ranks as the world's second-largest producer of motorcycles, with eight prominent players contributing to the manufacture of 13.8 million units during the 2017-18 period.

The journey of the Indian two-wheeler industry traces back to 1948 when Bajaj Auto initiated the import and sale of Vespa scooters in the country. Since its inception, the industry has witnessed a remarkable evolution, marked by shifting consumer preferences towards motorcycles and gearless scooters. These modern variants offer superior technology, enhanced fuel efficiency, and aesthetic appeal, eclipsing the demand for traditional metal-bodied geared scooters and mopeds. Consequently, this transformation in consumer behavior has significantly impacted the market dynamics, leading to the decline of erstwhile industry leaders and the emergence of new frontrunners.

Key Words: Royal Enfield, Customer Preference, Automobiles, Satisfaction.

1. INTRODUCTION

Currently, two-wheelers dominate the automobile industry, holding a market share of over 75 percent, while passenger cars and commercial vehicles each claim approximately 16 percent and three-wheelers share about 9 percent. The industry boasts a turnover exceeding USD 35 billion and employs over 13 million individuals directly and indirectly.

The Indian two-wheeler sector has evolved significantly since its inception in 1948 when Bajaj Auto introduced Vespa scooters to the Indian market. Over time, consumer preferences have shifted towards motorcycles and gearless scooters, prioritizing advancements in technology, fuel efficiency, and aesthetic appeal over traditional metal-bodied geared scooters and mopeds. Consequently, this transformation has reshaped the industry landscape, leading to the decline of former market leaders and the rise of new contenders.

With a burgeoning market and the entry of new players in recent years, the Indian two-wheeler industry is nearing maturity. From a limited selection of models in the past, India now stands as the world's second-largest producer of two-wheelers, with numerous manufacturing companies operating in the country. Major players in this industry include Hero Honda, Bajaj Auto Ltd, TVS Motor Company Ltd, and Honda Motorcycle and Scooter India Pvt. Ltd (HMSI), which collectively account for over 93 percent of domestic two-wheeler sales.

In terms of market segmentation, motorcycles hold nearly 80 percent of the total two-wheeler market share, dominated by Hero Honda with a 59 percent market share. Scooters account for approximately 18 percent of the market, led by Honda Motorcycle and Scooter India Pvt. Ltd (HMSI) with a 43 percent share. Motorcycle exports comprise three-fourths of total exports in the two-wheeler industry, primarily targeting South-East Asian and SAARC nations.

Technological advancements in the motor vehicle industry have been substantial, albeit at a moderate pace. Consumer sentiment significantly influences industry dynamics, as evidenced by the downturn experienced during the 2008-09 period. Key factors for success in this sector include enhancing labor productivity, flexibility, and capital efficiency.

Customer satisfaction plays a pivotal role in the industry's success, with companies striving to meet or exceed consumer expectations. Retaining existing customers proves more cost-effective than attracting new ones. The Indian motorcycle sector has flourished over the past 50 years, initially spurred by government demand for reliable vehicles for military and police use. Royal Enfield, a prominent player in the market, faces challenges amidst evolving market conditions.

This study focuses on customer satisfaction within the context of Royal Enfield, evaluating factors influencing customer satisfaction and purchase decisions, including brand image, color, fuel efficiency, and technological features.

INDUSTRY PROFILE

Royal Enfield is an Indian multinational company engaged in the manufacture of motorcycles, with its headquarters located in Chennai, Tamil Nadu, India. Renowned for its original English heritage, the Royal Enfield brand holds the distinction of being the oldest global motorcycle brand still in continuous production. The company operates manufacturing facilities in Chennai, India. As of 2018, India emerged as the fourth-largest automotive market, experiencing a notable 8.3% year-on-year increase in sales to reach 3.99 million units.

In the same year, it secured the seventh position as a manufacturer of commercial vehicles. The Two Wheelers segment commands a dominant position in the market in terms of volume, driven by a burgeoning middle class and a youthful population.



Industry profile

logo

The inaugural Royal Enfield motorcycle was crafted in 1901 by The Enfield Cycle Company, situated in Redditch, Worcestershire, England. This company played a pivotal role in designing and originally producing the Royal Enfield Bullet, a motorcycle design that holds the record for being the longest-lived in history. The rights to the original English Royal Enfield were licensed to the indigenous Indian Madras Motors, and presently, the company operates as a subsidiary of Eicher Motors, an Indian automaker.

ROYAL ENFIELD	
Type	Subsidiary
Industry	Automotive
Predecessor	Royal Enfield (1901-1971)
Founded	1955; 69 years ago (as Enfield Motors) 1901; 123 years ago (as The Enfield Cycle Company Limited)
Headquarters	Chennai, Tamil Nadu, India ^[1]
Areas served	Worldwide
Key people	B Govindarajan (CEO)
Products	Motorcycles
Production output	▲ 846,000 units (2018) ^[2]
Revenue	▲ ₹8,965.00 crore (US\$1.1 billion) (2018) ^[2]
Operating income	▲ ₹2,808.00 crore (US\$350 million) (2018) ^[2]
Net income	▲ ₹1,960 crore (US\$250 million) (2018) ^[2]
Parent	Eicher Motors
Subsidiaries	Royal Enfield North America Royal Enfield UK Royal Enfield Brazil Royal Enfield Thailand
Website	www.royalenfield.com 

Royal enfiled Information

COMPANY PROFILE

About Royal Enfield:

Royal Enfield, an Indian motorcycle company, has left a significant mark on the automotive industry. The brand has successfully established a reputation in the market, such that the mere mention of its name evokes images of luxurious and robust motorcycles. Since 1909, Royal Enfield has been producing classic automobiles like the Bullet, Electra, and Thunderbird series. The company's distinctive logo, featuring a cannon and the tagline "Made like a gun," reflects the rich heritage of the Enfield Company. Vehicles produced by Royal Enfield are well-known for their rugged appearance, unparalleled reliability, and substantial power.

INTRODUCTION (GLOBAL)

The Enfield Cycle Company operated under the name Royal Enfield, producing motorcycles, bicycles, lawnmowers, and stationary engines. The company's historical connection to weapons manufacturing is evident in its logo, featuring a cannon, and the motto "Made like a gun, goes like a bullet." The brand name Royal Enfield was officially licensed by The Crown in 1890. The original company, based in Redditch, Worcestershire, was acquired by Norton Villiers-Triumph (NVT) in 1968.



Royal Enfield's Redditch factory continued bicycle production until its closure in early 1967, with the last new bicycle being the 'Revelation' small wheeler released in 1965. Motorcycle production ceased in 1970, and the company was dissolved in 1971. In 1956, Enfield of India began assembling Bullet motorcycles under license from UK components, eventually manufacturing complete bikes by 1962. Enfield of India acquired the rights to use the Royal Enfield name in 1995. Production, now based in Tiruvottiyur, Chennai, continues, making Royal Enfield the world's oldest motorcycle brand still in production, with the Bullet model holding the record for the longest motorcycle production run. A new assembly facility in Oragadam, Chennai, started operations in May 2013.

INTRODUCTION (INDIA)

Royal Enfield, a motorcycle manufacturing company headquartered in Chennai, India, originated from the collaboration between the British company Royal Enfield and the indigenous Madras Motors. It is currently a subsidiary of Eicher Motors Limited, an Indian automaker. Renowned for its flagship motorcycle, the Royal Enfield Bullet, the company is notable for producing mid-premium motorcycles with distinctive thumping engine sounds and high-capacity engines.

HISTORY (INDIA)

Royal Enfield motorcycles from England were introduced to the Indian market in 1949. In 1955, the Indian government sought a suitable motorcycle for its police and army, selecting the Bullet for its patrolling duties. This led to an order of 800 350 cc model Bullets. In 1955, a partnership was formed with Madras Motors in India, creating 'Enfield India' to assemble, under license, the 350 cc Royal Enfield Bullet in Madras (now Chennai). Initially, components were shipped from England, but by 1962, all parts were manufactured in India.

As an independent manufacturer since the closure of Royal Enfield in England, Enfield India continues to produce a fundamentally similar bike in 350 cc and 500 cc forms, along with various models for different market segments. In 1986, Raja Narayan, a British civil servant, organized an export arm for the company to market the Bullet in England. Eicher Group acquired Enfield India in 1994, and in late 1995, Enfield India obtained the rights to the name Royal Enfield. Royal Enfield of India now sells motorcycles in over twenty countries.

REVIEW OF LITERATURE

Manohari & Rathinam (2013) conducted a comprehensive study on Royal Enfield bike customers in Tiruppur City, aiming to gauge satisfaction levels and understand customer preferences. Their research delved into the various factors influencing buyer preferences, including cultural, social, personal, and psychological aspects. Through an analysis of 75 customer responses, the study revealed that vehicle appearance, pickup, model characteristics, and engine features significantly influenced customer satisfaction.

Khade (2019) investigated the satisfaction levels of Royal Enfield customers in Coimbatore city and examined the impact of demographic factors on consumer buying behavior. The study highlighted that company image and riding comfort received higher ratings compared to aspects like mileage, model design, and color choices.

Ahmed et al. (2014) conducted a study focusing on customer satisfaction levels and identified key issues faced by Royal Enfield in Bangalore. Their research shed light on various factors such as brand image, color choices, fuel efficiency, and technological aspects.

Gopalakrishnan & Rengarajan (2018) conducted a study on the service quality provided by Royal Enfield in Chennai. Their research utilized a modified SERVQUAL instrument to assess service quality perceptions among customers. They found that trust and comfort heavily influenced the five service dimensions analyzed, namely Readiness Reliability, Trust, Comfort, Security, and Access. The study concluded that while SERVQUAL serves as a useful tool for quantifying service quality, adjustments are necessary to tailor it to specific situations.

Ashokkumar & Venkatesh (2017) carried out a customer satisfaction survey in the Dharmapuri district of Tamil Nadu, focusing on Royal Enfield. Their findings suggested that Royal Enfield enjoyed high levels of customer satisfaction, indicating the company's strong performance in meeting customer expectations.

In their study titled "A Study on Consumer Switching Behavior in Pulsar Provider with Reference to Chennai," **M. Sathish (2011)** highlights the rapid growth of the Indian mobile market, projected to reach 868.47 million users by 2013. The increased number of players in the market has led to a decline in tariff rates, allowing companies to target low-income demographics and expand market share. The study aims to identify factors influencing consumer switching behavior and assess the likelihood of switching service providers. Employing a

descriptive research design, the study focuses on Chennai due to its diverse population base in Tamil Nadu. A structured questionnaire was administered using a Cluster Sampling method, resulting in a sample size of 112 respondents. Variables considered include consumer demographics, satisfaction with existing service providers, and factors influencing switching behavior categorized into customer service, service problems, usage cost, and others. Results indicate that call rates, network coverage, value-added services, and customer care are primary factors influencing switching behavior, with advertisement playing a lesser role.

G.V. Venela (2009) emphasizes the significance of rural markets in India, home to approximately 72% of the population, many of whom rely on agriculture for their livelihoods and may fall below the poverty line. Despite infrastructural developments and modern agricultural techniques, challenges persist. However, recent trends show increased interest from multinational companies in rural markets, offering opportunities for rural consumers who were previously overlooked. Rural marketing entails activities aimed at influencing rural consumers to purchase specific products or services through various media channels. Branding plays a crucial role in marketing strategy, serving as a valuable asset once established. Consumer behavior, shaped by marketing activities, affects public policy and cultural dynamics. Understanding consumer needs and expectations is essential for successful marketing programs, ensuring products meet relevant consumer demands.

Mrs. R. Kanaka Rathinam (2013) The article extensively discusses customer preferences for Royal Enfield motorcycles. It explores how cultural, social, personal, and psychological factors influence these preferences. Finally, through the use of a questionnaire, it concludes that most customers opt for Royal Enfield due to its aesthetics, performance, and design.

Mr. FAISAL.T (2014) The research titled "A STUDY ON CUSTOMER PERCEPTION TOWARDS ROYAL ENFIELD with a Focus on Malappuram District" aimed to gauge customer opinions on Royal Enfield motorcycles. The findings revealed that the majority of Royal Enfield customers in the area are deeply content with various aspects of the brand. The study suggests that enhancing fuel efficiency, service quality, advertising efforts, and introducing competitive new models could further strengthen Royal Enfield's position in the market.

Ms. Ameer Asra Ahmed (2013) This article delves into the perceptions and satisfaction levels regarding Royal Enfield motorcycles. It highlights that these bikes are particularly favored by middle-aged and younger males. Their perception of the bikes revolves around attributes such as strength, performance, mileage, and status. Additionally, the widespread availability of Royal Enfield bikes and their parts contributes to their popularity and preference over other motorcycle brands.

G. MURALI MANOKARI (2013) The research literature reveals insights into customer preferences and satisfaction levels, which are predominantly shaped by socio-cultural, psychological, and personal factors. Royal Enfield customers emphasize the importance of manufacturers providing an optimal blend of aesthetics, quality, cost-effectiveness, features, safety, and performance to effectively compete in the market. This approach has evidently contributed to the company's enduring success over the decades.

Sr. Sony Mariya (September 2018) This research sheds light on the popularity of Royal Enfield motorcycles. It reveals that the primary users of these bikes are students aiming to uphold an image and seek comfort. Moreover, it notes that while the sound, a significant aspect for Royal Enfield enthusiasts, is quieter in newer models, maintaining quality remains crucial. Royal Enfield stands out as the top choice among motorcycles in India, boasting a large base of loyal customers, particularly among the younger demographic. Overall, customer perception regarding the purchase of Royal Enfield bikes can be described as positive or even excellent.

OBJECTIVE OF THE STUDY

- To know the customer's preference towards Royal Enfield motorcycle
- To identify the various factors that influence to the purchase of Royal Enfield.

RESEARCH METHODOLOGY

The methodology of the study is established on the primary & also as secondary data. The primary data is collected through online surveys using a google questionnaire. The 100 respondents were residents of Prayagraj city. The questionnaire was a structured one with a five-point Likert scale ranging from 1 for Strongly disagree to 5 for Strongly agree. The secondary data are collected from research papers, articles, websites, etc.

The study depends mainly on the first data collected through a structured questionnaire. Convenience sampling method was adopted to select the respondents. There is no discrimination on the basis of Income, Age or Gender. The study is based on descriptive research design.

DATA ANALYSIS & INTERPRETATION

Table 1 Details of the respondents:

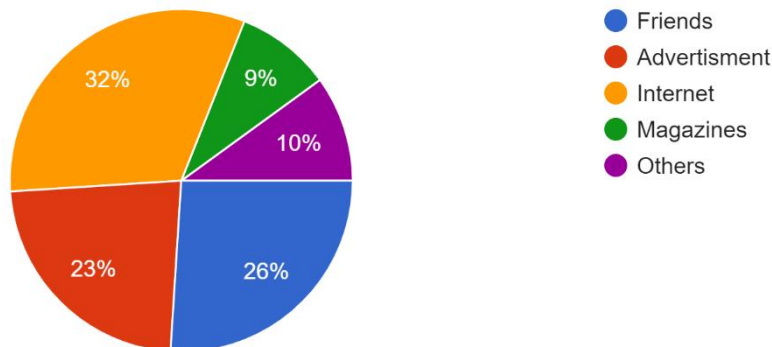
	Demographical classification	No. of Respondents	Percentage
Age (in years)	Below 20	15	15
	21-30	21	21
	31-40	50	50
	Above 41	14	14
	Total	100	100
Occupation	Student	14	14
	Employee	20	20
	Business	55	55
	Others	11	11
	Total	100	100

Income per month	Below 30000	18	18
	30000-60000	52	52
	60000-90000	22	22
	Above 90000	8	8
	Total	100	100
Marital status	Married	72	72
	Unmarried	28	28
	Total	100	100

From the above table most of the respondents belonging to the age group of 31 to 40 years. The vehicle usage the majority of the respondent from Business occupation. The most of the respondents belonging to the income per month of 30000-60000.

1.How you Know about Royal Enfield?

100 responses

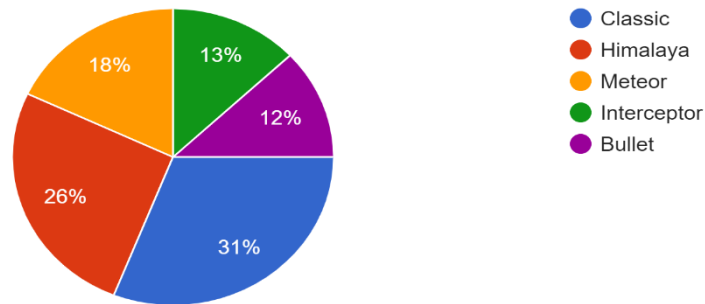


Particulars	No of Respondents	Percentage
Friends	26	26
Advertisement	23	23
Internet	32	32
Magazines	9	9
Others	10	10
Total	100	100

Most of the respondents, approximately 32 percent, indicated that they first heard about the bike through internet. Friends emerged as the second most cited source of information about Royal Enfield, with around 26 percent of respondents mentioning it.

2.Currently which Royal Enfield model are you presently own?

100 responses

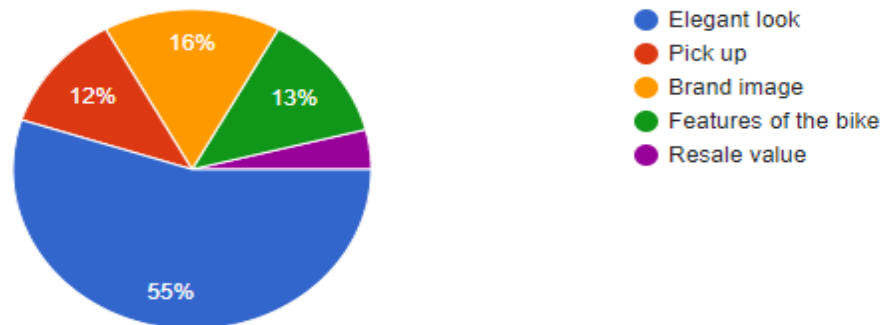


Models	No of Respondents	Percentage
Classic	31	31
Himalaya	26	26
Meteor	18	19
Interceptor	13	13
Bullet	12	12
Total	100	100

From the above table shows that 31 percent of the respondents reported using the Classic model and 26 percentage of the respondents are using Himalaya which second most used bike by the respondents.

3. Which attribute of Royal Enfield has influenced you to buy the bike?

100 responses

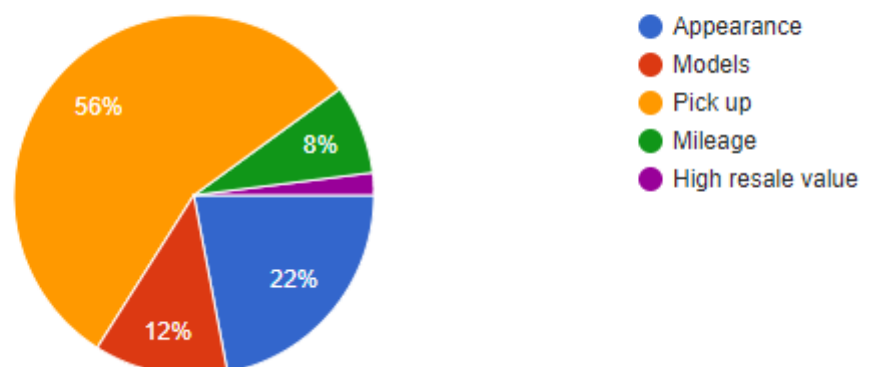


Reason for Purchase	No of Respondents	Percentage
Elegant look	55	55
Pick up	12	12
Brand image	16	16
Features of the bike	13	13
Resale value	4	4
Total	100	100

From the above table shoes that the highest number of respondents, 55 percent, reported “elegant looks” as the reason for their purchase and 16 percent, reported “Brand image” as the reason for purchase.

4. What factor contribute to your preference for Royal Enfield motorcycles?

100 responses

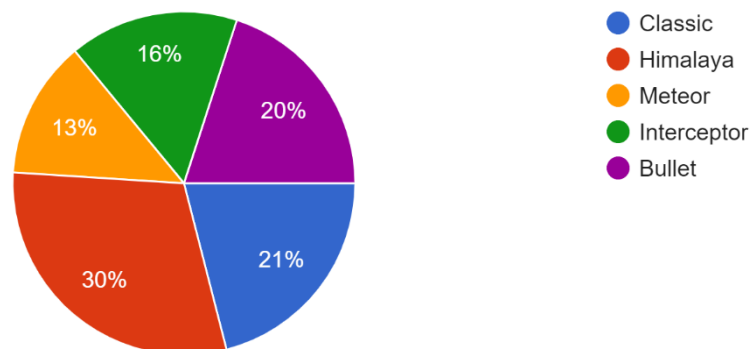


Features	No of Respondents	Percentage
Appearance	22	22
Models	12	12
Pick up	56	56
Mileage	8	8
High resale value	2	2
Total	100	100

From the above table shows that 56 percent of the respondents are rating Pick up as an important factor for selecting Royal Enfield bikes and second reason for selecting this bike is Looks and design, where respondents liked the appearance 22 percent and Models 12 percent.

5. Which Royal Enfield Motorcycle's Styling is More appealing to you?

100 responses



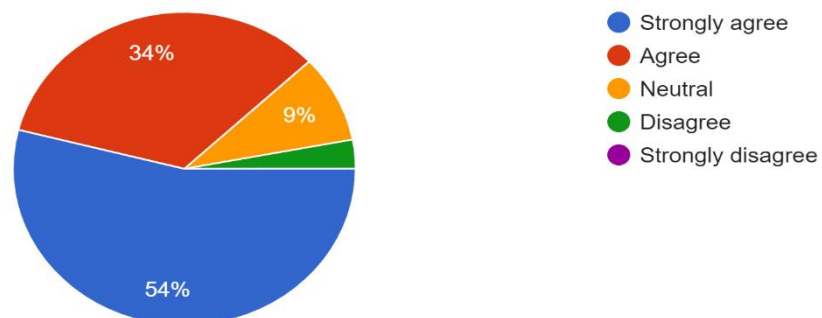
Model	No of Respondents	Percentage
Classic	21	21
Himalaya	30	30
Meteor	13	13
Interceptor	16	16
Bullet	20	20
Total	100	100

From the above table shows that Royal Enfield's Himalaya Model is found to be most favorite, 30 percent respondents like this, further listing follows 21 percent like classic, 20 percent like bullet etc.

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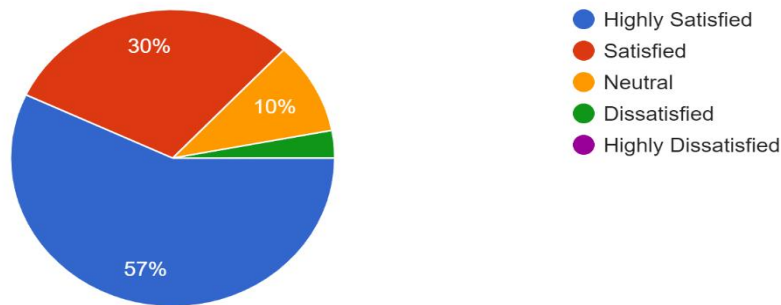
6.Is royal enfield suitable for long ride?

100 responses



11. How satisfied are you with your Royal Enfield motorcycle?

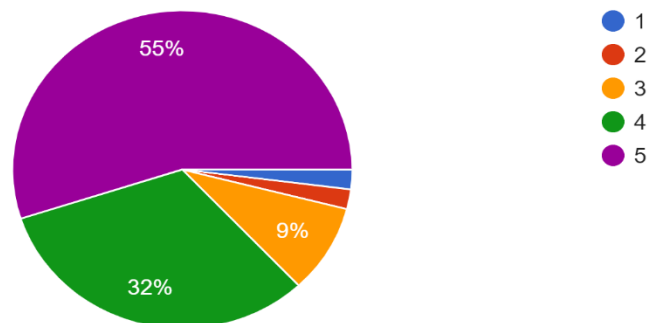
100 responses



From the above table shows that 54 percent respondents strongly agree about Royal Enfield suitable for long ride and 34 percent respondents agree from this.

14. How is the quality of the bike in the scale of 1 to 5 (where 5 is excellent and 1 is very poor)

100 responses



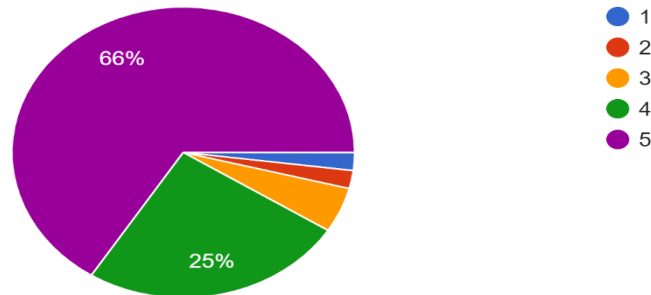
From the above table shows that 57 percent respondents Highly satisfied with Royal Enfield bike and 30 percent respondents satisfied with this.

Scale (1-5)	No of Respondents	Percentage
5	55	55
4	32	32
3	9	9
2	2	2
1	2	2
Total	100	100

From the above table shows that 55 percent respondents rating 5 i.e. excellent in terms of quality of bike and 32 percent respondents second most rating on 4.

15.How would you rate the performance of the bike in the scale of 1 to 5 (where 5 is excellent and 1 is very poor) ?

100 responses



Scale (1-5)	No of Respondents	Percentage
5	66	66
4	25	25
3	5	5
2	2	2
1	2	2
Total	100	100

From the above table shows that 66 percent respondents rating 5 i.e. excellent in terms of overall performance of the bike and 25 percent respondents second most rating on 4.

FINDINGS

- The study indicated that the majority of those who own Royal Enfield motorcycles fall within the 31-40 age bracket, are involved in business, and have a family income ranging from Rs.30,000 to Rs.60,000 per month.
- The survey findings indicate that the majority of participants possess a Royal Enfield Classic motorcycle. Most respondents gained awareness of Royal Enfield through the internet as well as through recommendations from friends and relatives.
- The majority of participants expressed the view that Royal Enfield motorcycles are well-suited for long-distance travel, and they predominantly opt for Royal Enfield when embarking on such journeys.

- The majority of participants exhibit a high level of satisfaction with the overall performance of Royal Enfield motorcycles.

SUGGESTIONS

- Respondents encountered challenges with Royal Enfield motorcycles during short trips, expressing concerns about mileage and resale value. Consequently, it's suggested that the company focus on enhancing its technical aspects.
- Young individuals predominantly show interest in Royal Enfield, while others are deterred by its weight. Therefore, the company could explore options for reducing the vehicle's weight.
- Marketing communication should prioritize meeting the needs for respect, power, and comfort. Selecting a modest yet strong brand ambassador could effectively represent the brand.

CONCLUSION

This study uncovers the preferences of Royal Enfield customers and examines the factors that influence their decision to purchase Royal Enfield motorcycles. It offers valuable and timely insights into the level of customer preference for Royal Enfield. Customer preferences regarding Royal Enfield motorcycles suggest that to succeed in the market, manufacturers must deliver a superior combination of aesthetics, quality, cost-effectiveness, desirable features, safety, luxury, and performance. The conclusions drawn from this study would aid both the company and its dealers in better understanding their customers and enhancing satisfaction levels in the future.

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