Mediator Effect of Age of Customers on Brand Image of Two Wheelers

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Abstract

The Indian two wheeler industry is the largest in the world; Indian manufacturers sold 19.91 Million units in the Financial Year 2017 that includes both domestic sales and exports. The domestic market contributed 88% of sales with exports standing at 12%. The industry is highly competitive, with more than ten players operating in the market. The presence of so many players can be attributed to India being one of the fastest growing economies, favorable demographics and rising income levels and especially driven by the youngster's preferences for latest technology, variety and stylish look motorbikes. Costumers of Two Wheelers are also getting multiple options to choose their product or brands by considering quality and other features due to presence of competitive brands in the market and managing brand is really a challenge for brand managers.

The purpose of this study was to test empirically the conceptualization of consumer evaluation of brand image and to know the mediating effect of age of customers in the process. It was revealed that age wise there was significant difference in customers' perception that their brand is reasonably priced. Higher age group of respondents perceived that more benefits could be offered with the brand to prove it as reasonably priced. Findings of the study will help the Brand managers of Two Wheelers to know how their brands are being perceived by different age group of customers and how the image of brand could be shaped for targeted market segments.

Keywords – *Brand Image, Two-Wheelers, Age*

Introduction

Due to rapid changes in the global market and the increased competition experienced between firms, "Brand Management" has become more important. Good brand management brings about clear differentiation between products, ensures consumer loyalty and preferences and may lead to a greater market share. Aaker (1991) is of the view that establishing and managing brand should not be taken to be the core operating target for most industries but should also be seen as a source of competitiveness. In other words, value is added to a brand when the brand is able to compete successfully with other brands.

There are three components to a brand image: attributes, consequences and brand personality. It is perhaps more inclusive to think of a brands image as encompassing all the associates that a consumer has for that brand: all the thoughts, feelings and imagery-even colors, sounds and smells that are mentally liked to that brand in the consumer's memory. Attributes means qualities or functions or advantages of a particular brand. A brand is known by its attributes i.e. the qualities it offers. Attributes affect the brand image i.e. a product or brand with lot of advantages in comparison to its nearest substitute is considered more suitable. Thus it enhances the brand image. Then come the consequences, consequences mean the effect of the product. The product or brand which gives ultimate good result is considered good brand. Thus, consequences also affect brand image. Last component of brand image is brand personality. Brand personality includes associations with particular characters, symbols, endorsers, life styles and types of users. Together, such brand personality associations create a

composite image of a brand. It gives the brand a sense of human; it makes you feel a brand as a person. Thus it characterized it as adventurous, head strong, undependable, excitable etc. Brand image is a important tool for making effective sales. Brand image builds the confidence in customers. A product which owns high brand image is always at an advantage in comparison to products with low brand image. Thus, brand image can be described as impression of brand in eyes of customers.

Indian Two-Wheeler Industry

The Indian two wheeler industry is the largest in the world, Indian manufacturers sold 19.91 Million units(domestic + exports) in the Financial Year 2017. The domestic market contributed 88% of sales with exports standing at 12%. The Indian two wheeler industry can be classified as Mopeds, Scooters, Motorcycles and Electric two wheelers. The industry is highly competitive, with more than ten players operating in the market. The presence of so many players can be attributed to India being one of the fastest growing economies, favorable demographics and rising income levels.
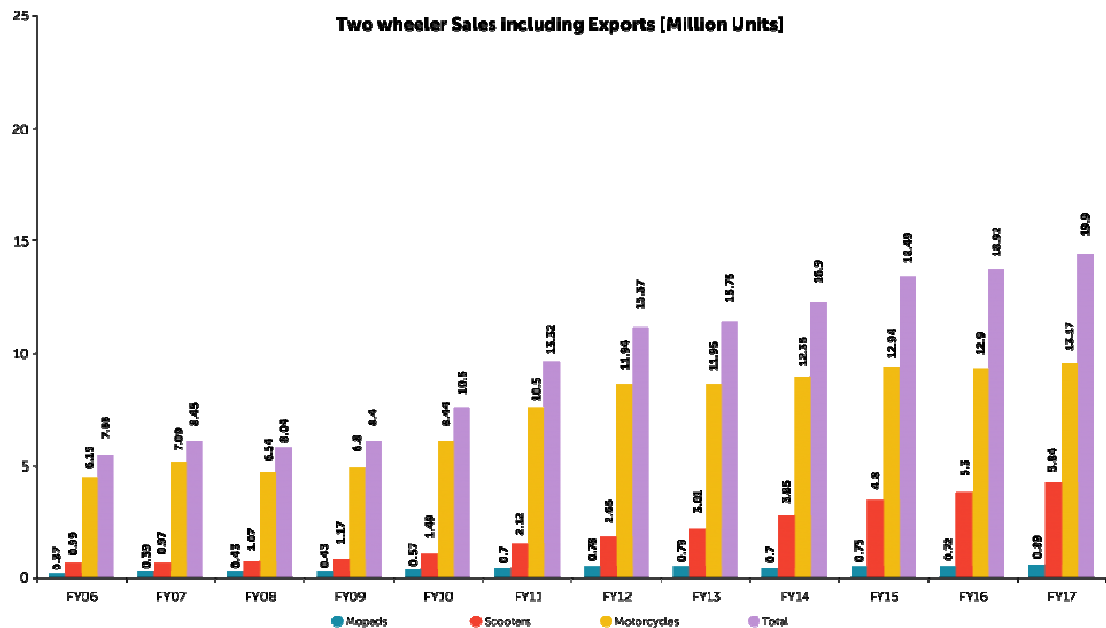

Table 1 trend in sales of two- wheeler for the period 2006-17

Table 1 shows the trend in sales of two- wheeler for the period 2006-17.Domestic sales stood at 17.58 Million units contributing 88% of sales and exports 2.33 Million units contributing 12%. This trend has been maintained since FY11. It is exhibited in the chart that Scooters are the fastest growing segment, scooter sales have grown by 19% CAGR for the period 20006-17. The Five year and Three year CAGR stood at 17% and 15% respectively. Domestic scooter sales for the year ending 2017 stood at 5.6 million units. Motorcycles have grown at CAGR of 8% during the same period. However the Five year and Three year CAGR stood at 2%. Clearly scooters are taking away the market share from motorcycles. Domestic motorcycle sales for year ending 2017 stood at 11.09 million units. Domestic sales have grown at 2% CAGR over a three year period. Mopeds have grown at 9% CAGR, exports of mopeds are negligible. TVS XL mopeds are the leaders in this segment. Scooters were 32% of domestic sales, motorcycles 63% and mopeds 5% in 2017. The same figures for scooters, motorcycles and mopeds in 2011 stood at 21%, 73% & 6% respectively. Clearly scooters are taking away market share from motorcycles. Large variety of two wheelers is available in the market, known for their latest

technology and enhanced mileage. Indian bikes, scooters and mopeds represent style and class for both men and women in India.

In Indian market Hero MotoCorp, Honda Motorcycle & Scooter India (HMSI), TVS Motor Company and Bajaj Auto account for over 90 % of the industry sales. The other key players in the two-wheeler industry are India Yamaha Motors, Royal Enfield, Mahindra Two Wheelers, Suzuki Motorcycle India, Piaggio Vehicles, Harley-Davidson Motor Company India, India Kawasaki Motors and Triumph Motorcycles India. The comparative yearly sales have reported substantial downfall in domestic demand for products of Hero Moto Corp and Bajaj. Royal Enfield and Honda Motorcycle & Scooter India (HMSI) were the biggest gainers. Market share of Mahindra Two Wheelers (MTWL) and Suzuki Motorcycle India (SMIL) declined, whereas mild improvements in sales of TVS Motor Company and India Yamaha Motor and Piaggio Vehicles observed. Further, it has been observed that demand for premium motorcycles in India is increasing. Harley-Davidson Motor Company India, India Kawasaki Motors and Triumph Motorcycles India recorded substantial sales growth.

Demand Drivers

The demand for two-wheelers has been influenced by a number of factors over the past five years. The key demand drivers for the growth of the two-wheeler industry are as follows:

1. Inadequate public transportation system, especially in the semi-urban and rural areas.
2. Increased availability of cheap consumer financing.
3. Increasing availability of fuel-efficient and low-maintenance models.
4. Increasing urbanization, which creates a need for personal transportation.
5. Changes in the demographic profile.
6. Steady increase in per capita income over the years and
7. Increasing number of models with different features to satisfy diverse consumer needs.

Review of Literature

(Kotler et al 2005), defined a brand as "a name, term, sign, symbol, design or a combination of these that identifies the makers or seller of the product or services". According to (Kapferer 2004), a brand is a name that has the power to influence a buyer. He went further to say that this influence could be as a result of a set of mental association and relationship built up over time among customers or distributors.

Brand image is referred to as consumer perceptions about the brand or how they view it. According to (Keller 1993), brand image is also seen as "a symbolic construct created within the minds of people and consist of all the information and expectations associated with a product or service".

Brands are highly regarded as an important source of capital for most business. The term brand has different meaning attached to it; a brand can be defined as a name, logo, symbol and identity or a trademark. Prasad and Dev. 2000 also states that a brand can be seen to include all tangible and intangible attributes that a business stands for.

A powerful brand will enhance a customer's attitude strength of the product association of a brand. Attitude strength is developed by experience with the product. According to (Keller 1993), customer awareness and association influences inferred attributes, perceived quality and finally result to brand loyalty. He went further to say that the advantage of this dimensionality of customer-based brand equity is that it allows marketing managers to study how their marketing programs enhance their brand values in the minds of customers.

Many researchers (Aaker 1991&1996, Keller 1993, Lasser 1995, Yoo & Donthun 2001, Prasad & Dev. 2000 etc) have been interested in the concept and measurement of brand equity because of the necessity in today's marketplace to develop, maintain and use product branding to acquire a certain level of competitive advantage. (Aaker 1991) defined Brand loyalty as "the attachment that a customer has to a brand". It can also be seen as consumer's preference to

purchase a particular brand in a product class and this could be as a result of the consumer awareness about that particular brand.

According to (De Chernatony and MacDonald, 2003), a brand goes beyond physical constituents and what it stands for, it has some additional attributes which although maybe intangible but are still important to consumers consideration. A brand has added value which differentiate it from a product (Doyle 2002, De Chernatony and MacDonald 2003, Jones and Slater 2003).

Objectives of the Study

To identify factors influencing brand image of two wheelers.

To analyze mediator effect of age of customers on brand image of two wheelers.

Hypotheses

Following hypotheses were stated for the study and tested at 5% level of significance.

H_1: Age-wise there is significance difference in customers' perception that their two wheeler brand is powerful.

H_2: Age-wise there is significance difference in customers' perception that their two wheeler brand is stylish.

H_3: Age-wise there is significance difference in customers' perception that their two wheeler brand renders maintenance free service.

H_4: Age-wise there is significance difference in customers' perception that their two wheeler brand is fuel efficient.

H_5: Age-wise there is significance difference in customers' perception that their two wheeler brand has resale value.

H_6: Age-wise there is significance difference in customers' perception that their two wheeler brand is reliable.

H_7: Age-wise there is significance difference in customers' perception that their two wheeler brand is aesthetic in look.

H_8: Age-wise there is significance difference in customers' perception that their two wheeler brand is familiar one in its category

H_9: Age-wise there is significance difference in customers' perception that their two wheeler brand is reasonably priced.

H_{10}: Age-wise there is significance difference in customers' perception that their two wheeler brand is preferred due to availability of service centers.

Research Method

Type of research - Descriptive research

Sampling type - Non-probabilistic Convenience sampling

Sampling Size - Data collected from 199 respondents

Sampling Unit - Two wheeler users

Data Collection

Secondary Data

Books, Internet web sites, Magazines, Journals etc used as source for secondary data collection.

Primary Data

Primary data for the study collected through self structured questionnaire comprising of ten statements. Reliability of questionnaire checked with the help of Cronback alpha, its value found to be 0.776. Validity checked with the help of experts in the field.

Tools for Data Analysis

Mean. Standard Deviation, One-way ANOVA (Analysis of Variance)

Analysis and Interpretation

Table 2 Respondent Profile

Age	Frequency	Percent
18-25 years	119	59.8
25-40 years	66	33.2
Above 40 years	14	7.0
Gender		
Male	134	67.3
Female	65	32.7
Brand		
Hero Motocorp	100	50.2
Yamaha	4	2.0
Honda(HMSI)	38	19.1
Bajaj	20	10.1
TVS	37	18.6

Respondents profile is exhibited in **Table 2**. 67.3 percent of respondents were male and 32.7 percent were female respondents. 59.8 percent of the respondents were of the age group 18-25 years, 33.2 percent of respondents were of the age group 25-40 years and 7 percent of the respondents were of the age group above 40 years. In the sampled data majority of respondents were having Honda Motocorp Brand . The respondents having Hero Motocorp were50.3%, Honda (HMSI) 19.1%, TVS 18.6% and only 10.1 % having two wheeler of Bajaj brand

Table 3: Overall Mean and Standard Deviation for Brand Image Attributes

	Mean	Std. Deviation
My Two wheeler is powerful.	4.1156	.72593
It is stylish.	4.0153	.69755
It is maintenance free.	3.9899	.73161
It is fuel efficient.	3.9347	.76591
It has good resale value.	3.7990	.93733
It is reliable.	4.1608	.66989
It is aesthetic in look.	4.1407	.65928
Its Brand name is familiar to me.	4.3920	.73659
the price is reasonable.	3.9697	.90070
Availability of service centre.	4.2814	.72558

It is shown in Table 3 that most of the respondents were agreed that their two-wheeler is Powerful and Stylish. Respondents were consistent in their opinion. Findings of the study confirms the brand management practices of Two Wheelers, as today companies are more concentrating on designing their vehicles to appeal large base of consumers, particularly in environment of stiffer competition. All the leading automobile companies are spending continuously in their Research and Development to bring the latest designs to their customers.

It was also observed that respondents were quiet consistent in their opinion and agreed on Fuel Efficiency, Reliable, Maintenance free service and Availability of Service Centers as major determinants of their two wheelers brand image. However difference in opinion found for resale value of different brand of Two Wheelers Many of the respondents were agreed that their Two Wheeler has good resale value while many others were not agreed.

Most of the respondents have expressed that Brand name of their Two Wheeler is familiar and they appreciated aesthetic look of their owned brand of Two Wheeler. The reason might be due

to higher level of Brand loyalty towards particular Brand or frequent exposures to advertisements of two wheelers or ease of availability. Also the competition in two wheeler industry is getting stiffer and stiffer day by day so the companies are giving more importance to look apart from other features as a result consumers have a wide variety of options to choose. It was also observed in the study that most of the respondents were somewhat satisfied with the prices of their Two Wheelers. However, somewhat difference in opinion might be due to availability of less priced other Brand Two Wheelers having more or less the same features. However, overall satisfaction level with existing brand of Two Wheeler was found to be very high. It can be interpreted from Table 4 that age wise there was significant difference in customers' perception that their brand is reasonably priced. However, no significant difference observed towards other attributes of brand image of two wheelers. So hypothesis H9 was not rejected and remaining other hypotheses were rejected.

Table 4: Age- Wise Analysis of Variance towards attributes of Brand Image

		Sum of Squares	df	Mean Square	F	Sig.
Powerful	Between Groups	.856	2	.428	.810	.446
	Within Groups	103.486	196	.528		
	Total	104.342	198			
Stylish	Between Groups	.550	2	.275	.562	.571
	Within Groups	95.792	196	.489		
	Total	96.342	198			
Maintenance free	Between Groups	.369	2	.185	.343	.710
	Within Groups	105.611	196	.539		
	Total	105.980	198			
Fuel efficient.	Between Groups	1.438	2	.719	1.228	.295
	Within Groups	114.713	196	.585		
	Total	116.151	198			
It has good resale value.	Between Groups	.862	2	.431	.488	.614
	Within Groups	173.098	196	.883		
	Total	173.960	198			
It is Reliable	Between Groups	1.738	2	.869	1.956	.144
	Within Groups	87.116	196	.444		
	Total	88.854	198			
It is aesthetic in look	Between Groups	1.247	2	.623	1.441	.239
	Within Groups	84.813	196	.433		
	Total	86.060	198			
Brand is Familiar one	Between Groups	.241	2	.121	.221	.802
	Within Groups	107.186	196	.547		
	Total	107.427	198			
Reasonably priced	Between Groups	3.921	2	1.961	2.452	.049
	Within Groups	155.897	195	.799		
	Total	159.818	197			
Availability of service centre.	Between Groups	1.011	2	.506	.960	.385
	Within Groups	103.230	196	.527		
	Total	104.241	198			

Table 5: Age-wise Mean and Standard Deviation for Brand Image Attributes

		Mean	Std. Deviation
My Two wheeler is powerful.	18-25 years	4.0672	.66039
	25-40 years	4.1667	.86972
	Above 40 years	4.2857	.46881
It is stylish.	18-25 years	4.1429	.58637
	25-40 years	4.0455	.88460
	Above 40 years	4.2143	.57893
It is maintenance free.	18-25 years	4.0252	.68225
	25-40 years	3.9394	.82048
	Above 40 years	3.9286	.73005
It is fuel efficient.	18-25 years	3.9832	.70089
	25-40 years	3.8182	.89286
	Above 40 years	4.0714	.61573
It has good resale value.	18-25 years	3.8319	.89556
	25-40 years	3.7121	.98863
	Above 40 years	3.9286	1.07161
It is Reliable	18-25 years	4.2185	.61285
	25-40 years	4.0303	.76399
	Above 40 years	4.2857	.61125
It is aesthetic in look	18-25 years	4.2017	.59060
	25-40 years	4.0303	.76399
	Above 40 years	4.1429	.66299
Brand is Familiar one	18-25 years	4.3697	.69946
	25-40 years	4.4091	.84083
	Above 40 years	4.5000	.51887
It is reasonably priced	18-25 years	4.0847	.84303
	25-40 years	3.7879	.98473
	Above 40 years	3.8571	.86444
Availability of service centre.	18-25 years	4.3361	.65454
	25-40 years	4.1818	.82105
	Above 40 years	4.2857	.82542

Findings of the study show that with advancement in age customers realized that they were paying higher prices for their preferred brands of two wheelers. Respondents in the age group of 18 to 25 years have perceived that their preferred brand is reasonably priced but other age group of respondents perceived more potential benefits that could be blended with the brand to prove it as reasonably priced. Higher age group of respondents were found to be more consistent in their opinion towards attributes of brand image of their preferred two wheeler and also and also found to be more satisfied with attributes of their preferred brands.

Customer's perception towards Brand Image of Two Wheelers varies as they have distinct feature requirements and gives importance to the features according to their requirements. Thus, findings of the study has revealed that age wise there is no significant difference in perception of customers towards most of the attributes of brand image. Age wise there may be difference in preferences of different brands of two wheelers. However, once they preferred any brand then the customers have found consistent and satisfied with their preferred brands.

Conclusion

The Indian two wheeler industry is witnessing a continues growth. There are many brands available in Indian two wheeler industries which are competing with each other on the basis of product features to attract the consumers. Consequently customers are also getting multiple options to choose their brand by considering quality and other features. The purpose of this study was to test empirically the conceptualization of consumer evaluation of brand image and to know the mediating effect of age of customers in the process. It was revealed that age wise there was significant difference in customers' perception that their brand is reasonably priced. Higher age group of respondents perceived that more benefits could be offered with the brand to prove it as reasonably priced. Findings of the study will help the Brand managers of Two Wheelers to know how there brands are being perceived by different age group of customers and how the image of brand could be shaped for targeted market segment. Further, the study would also help the brand managers and marketers in taking efficient and effective measures to persuade the costumers for their creative addition to the existing attributes of the product. It might be technological change in product or may be change in style, shape or in design.

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