

A Study on the Choice Criteria of Royal Enfield Motorbikes in Ranchi City, Jharkhand

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Abstract

The study was carried out to identify customer preferences towards the Royal Enfield brand of motorcycles in a restricted geographical location, Ranchi city. It studied the needs and wants of the customers and their expectations from the brand. The study also analysed customer preferences and service satisfaction levels of existing customers. The study not only investigated service factors which influence customers purchase decisions, but also identified customer expectations. For this study, 150 customers were selected, and their responses recorded via questionnaires. It was found that most customers choose a Royal Enfield vehicle because of the availability of spare parts, and vehicular features like appearance, design, engine quality etc.

Introduction and Literature Review

What are choice criteria?

The American Marketing Association defines choice criteria as specific attributes or consequences used by consumers to evaluate and choose from a given set of alternatives. Choice criteria in a decision model are attributes that can be quantified. In layman's term choice criteria are goals that can be quantifiable and attainments measured. The word criteria are always used in the context of decision, judgment, or evaluation.

Company profile

Royal Enfield prides itself in producing classic bikes with power for leisure riding and is the leader in its segment by quite a distance in the Indian market. The company boasts of all kinds of motorcycles which combine power, riding comfort and ruggedness to deliver a unique riding experience to its customers.

The company started as the “Enfield Cycle Company” which manufactured motorcycles, bicycles, lawn mowers and stationary engines from its workshop based out of Redditch, Worcestershire, UK. In 1890, the company was licensed by the British Crown as “Royal Enfield”. The legacy of the company being associated with weapons manufacture is reflected in its logo, which have cannons and its motto - “Made like a gun”.

The vision that drives the company is to be recognized as the industry leader driving modernization in biking in India and the developing world. Its stated mission is an aim to continuously improve biking efficiency in India and developing markets.

Objective

The objectives of this study are as follows:

1. Identify the various factors that influence consumers to purchase Royal Enfield motorbikes.
2. Find the satisfaction levels of existing customers.

Need of the Study

In this era of technology, all product markets are undergoing drastic changes. Every company competing in such markets must change to survive. One way for companies to keep the competitive edge is to stay on top of customer expectations. Increasing market share requires an understanding of customers and whether customers feel that the product has met their choice criteria for selecting that specific product. The findings of a customer satisfaction survey can be used by Royal Enfield to assess whether the company has met customer expectations to excel in the market. A study of customer satisfaction levels within an area is also a good way of establishing revenue goals and sales quotas for products, stores etc. With a realistic picture of customer satisfaction, a company can focus resources intelligently, maintaining the presence where it is strong and investing heavily where opportunities are the greatest. As customers are dependable promoters of any product, any company which can meet customer requirements and maintain high standards in service commitments is destined to do well.

Review of Literature

Manohari & Rathinam (2013), studied satisfaction levels among Royal Enfield bike customers in Tiruppur City. This study helped in understanding the needs and wants of customers. The study

also investigated the services and factors influencing buyer preferences and identified customer expectations from the Royal Enfield brand. The study found that cultural, social, personal, and psychological factors strongly influenced satisfaction levels. The study, which analysed 75 customer responses found that vehicle appearance, pickup, model characteristics and engine features were some of the primary drivers of customer preferences.

Khade (2019) researched if Royal Enfield customers in Coimbatore city were satisfied customers. The study gathered information on the impact of demographic factors on consumer buying behaviour. The study concluded that company image and riding comfort got higher points while mileage, model design and colour choices could not get similar ratings.

Ahmed et al. (2014) carried out a study on the satisfaction levels of Royal Enfield customers and the issues the company was facing in the city of Bangalore. The study, published the findings with respect to brand image, colour choices, fuel-efficiency benchmarks, technology used and the like.

Gopalakrishnan & Rengarajan (2018) performed a study on the service quality of Royal Enfield in the city of Chennai. This research examined the service quality perceptions among the brand's customers. A modified SERVQUAL instrument was developed and applied. The five service dimensions - Readiness Reliability, Trust, Comfort, Security, and Access were examined in terms of their impact on customers' overall quality perception and their willingness towards "word of mouth" promotion of the brand. The study found the five variables to be affected heavily by two dimensions, namely, trust and comfort. The investigators concluded that SERVQUAL is a good starting base to quantify service quality, but cannot have a general or direct application. The SERVQUAL instrument can be applied only after making necessary adjustments to fit a particular situation.

Ashokkumar & Venkatesh (2017) also carried out a customer satisfaction survey on Royal Enfield in the Dharmapuri district of Tamil Nadu. The study concluded that Royal Enfield was doing quite well, and its customers were a largely satisfied lot.

Research Methodology

For this study, data were collected through online surveys using a google questionnaire due to paucity of time, resources and the Covid19 restrictions. Hence, it is based on non-probability convenience sampling. The 150 respondents were residents of Ranchi city in Jharkhand, India.

The questionnaire was a structured one with a five-point Likert scale ranging from 1 for Strongly disagree to 5 for Strongly agree.

For conclusions made and observations drawn beyond the scope of the primary data collected, secondary data and/or findings from similar reports in other geographical areas were relied upon.

Data Summary and Findings

Tables 1 to 15 summarizes the data collected via the questionnaires from question 1 to question 15. As has been mentioned earlier, the sample was a non-probabilistic convenience sample and hence certain demographics were skewed.

Particulars	Percentage
Below 25 years	63.3%
26-35 years	24.7%
36-45 years	8.7%
Above 46 years	3.3%
Total	100

Table 1: Age of Respondents.

Only around 12 percent of the respondents were above the age of 35 years. Over 60 percent of the respondents were below the age of 25 years.

Particulars	Percentage
Schooling	4%

It/Diploma	1.3%
Graduate	57.3%
Professional	37.3%
Total	100%

Table 2: Educational Status.

95 percent of the respondents were engaged in graduate level or professional studies.

Particulars	Percentage
Student	64.7%
Government Employees	3.3%
Private Employees	11.3%
Businessmen	10.7%
Others	10%
Total	100%

Table 3: Occupation

65 percent of the respondents were students.

Particulars	Percentage
Below 30000	64.0%
30001-40000	6.7%
40001-50000	5.3%
Above 50001	24.0%
TOTAL	100

Table 4: Income Per Month

24 percent of the respondents reported monthly income of more than 50,000 INR. Around 80% of those with income of less than 50,000 INR reported monthly income of less than 30,000 INR

Particulars	Percentage
Newspaper	6.0%

Social Media	29.3%
Word Of Mouth	21.3%
Friends And Relatives	34.0%
Others	9.3%
Total	100%

Table 5: From Where You Came to Know About the Royal Enfield Motor Bikes?

The majority of those surveyed, about 34 percent, learned about the company from friends and family. Those who responded with social media being their source of information about Royal Enfield came in second with around 29 percent.

Particulars	Percentage
Royal Enfield Classic 350	32.7%
Royal Enfield Classic 500	10.0%
Royal Enfield Himalayan	14%
Others	43.3%
Total	100%

Table 6: Currently used vehicle model.

Around 33 percent of the respondents reported using the Classic 250 model. However, a significant section of the respondents reported using “other” models. Hence, given the specific set of respondents, drawing conclusions on a specific model being more popular will be erroneous.

Question number 11 was asked primarily to clarify if the “other” models included one specific model which outweighed the Classic 350.

PARTICULARS	PERCENTAGE
COLLEGE	25.3%
STYLE	14.7%
OFFICE	13.3%
OTHERS	46.7%
TOTAL	100%

Table 7: The Purpose of Using the Bike.

As per popular perception, the convenience of two-wheelers over four-wheelers and regular commuting needs seems to be the driving force in using the bike. A total of 85 percent of the respondents in support of the utility and convenience of two wheelers.

Particulars	Percentage
Appearance	36%
Models	29.3%
Fuel Tank Capacity	6.7%
Affordable Price	10%
Pickup	3.3%
After sale Service	6%
Others	8.7%

Table 8: Your Preference on Royal Enfield Motor Bike.

Looks and design were reported as the primary reasons for the respondents selecting Royal Enfield bikes. 36 percent of the respondents liked the appearance and 29 percent of the respondents were drawn towards a particular model. The price was reported as a factor by 10 percent of the respondents.

Particulars	Percentage
Elegant Look	43.3%
Brand Image	25.3%
Pickup	2%
Fuel Tank Capacity	4.7%
Availability Of Spares	10%
Choice Of Colors	5.3%
Designing Facilities	6.7%
Resale Value	2.7%
Total	100%

Table 9: The Reason for Purchase of Royal Enfield Motor Bike.

Consistent with the findings in the previous question, the highest number of respondents, 43 percent, reported “elegant looks” as the reason for their purchase.

Particulars	Percentage
Highly Satisfied	32.7%
Satisfied	45.3%
Neutral	18.7%
Dissatisfied	2.0%
Highly Dissatisfied	1.3%
Total	100%

Table 10: Your Satisfaction Level Towards Various Aspects.

An overwhelming majority of the respondents, 77 percent, were either satisfied or highly satisfied customers.

Particulars	Percentage
Royal Enfield Classic350	37.3%
Royal Enfield Bullet 350	10%
Royal Enfield Himalayan	22%
Royal Enfield Thunderbird 350x	11.3%
Others	19.3%
Total	100%

Table 11: Which Model of Royal Enfield You Prefer the Most?

Consistent with the findings in question number 6, the classic 350 was reported as the most popular brand by the specific set of respondents in this study.

Particulars	Percentage
Highly Satisfied	35.3%
Satisfied	60%
Dissatisfied	4%
Highly Dissatisfied	0.7%
Total	100%

Table 12: How Do You Rate for Your Satisfaction Level with Respect to After Sales Service of

Your Royal Enfield Bike?

More than 95 percent of the existing customers were either satisfied or highly satisfied with post sales service offered by the organization.

Particulars	Percentage
Highly Satisfied	40%
Satisfied	56.7%
Dissatisfied	3.3%
Total	100%

Table 13: Are You Satisfied with the Performance of the Bike?

Less than 4 percent of the respondents expressed dissatisfaction with the performance of the Royal Enfield bikes they own.

Particulars	Percentage
Advertise More	24%
Provide Better Service	18.7%
Improve Quality	13.3%
Should Reduce Prices	27.3%
No Need to Improve	16.7%
Total	100%

Table 14: According to Your Opinion What Can Be Done to Improve Royal Enfield Bikes Sale in the Local Market?

The respondents' opinions were largely evenly distributed. 27 percent of the respondents believed prices of the bikes should be lowered. 24 percent felt that there should be more advertisements.

Particulars	Percentage
1 - Highly Satisfied	18.7%
2 - Satisfied	18.7%
3 - Neutral	24.7%
4 - Dissatisfied	26%
5 - Highly Dissatisfied	12%

Total	100%
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Table 15: Overall Satisfaction Level That Has Derived as Expected from Royal Enfield Bike.

38 percent of the respondents reported overall dissatisfaction as far as expectations and reality is concerned. Almost an equal percentage of respondents also responded that they were either satisfied or highly satisfied with expectations meeting reality.

The number of attributes associated with question 16 and question 17 was quite large for a more comprehensive study. Hence, we have abstained from tables and graphic representations of data.

Question 16: To rank “choice criteria”, the question, “How important each of the following attributes is to you while making a purchase decision?”, posed to the respondents with a list of attributes.

- a) Price related attributes.
- b) The initial price of the bike/Cost to buy.
- c) Cost of spare parts etc.
- d) Place /availability related attributes.
- e) Waiting time post booking.
- f) Facilities available with the dealers.
- g) Promotion related activities.
- h) Low financing rates.
- i) Festive seasons offer.
- j) Test rides
- k) Post purchase related attributes.
- l) After sales service.
- m) Cost of maintenance.
- n) Taking customer feedback.

Findings

According to the responses collected, the attribute that plays the major role while making a purchase decision is the cost of spare parts (item c above).

Question 17: To gauge the most important customer satisfaction criteria, respondents were asked to rate their level of satisfaction at the time of purchase in terms of the following parameters.

- a) Point purchase system.

- b) Professionalism of the sales representatives.
- c) Availability of additional service.
- d) Choice of Royal Enfield motorbike when compared to other motorbike.
- e) Satisfaction with respect to bike.
- f) Disc brakes
- g) Fuel efficiency.
- h) Pickup.
- i) Maintenance of Royal Enfield motorbikes.
- j) Fuel consumption.
- k) Mileage.
- l) Is Royal Enfield my first choice.
- m) I will recommend the Royal Enfield brand to my friends/relatives.

Findings

According to the responses collected, satisfaction with respect to the bike, outweighed all other factors (item e above).

Conclusions and Observations

Model design and appearance of Royal Enfield bikes are what primarily attracted the respondents of this study to these bikes. The primary decision to purchase was based on the availability of spare parts. Consistent with the aforesaid, overall satisfaction levels of Royal Enfield customers are tied to the satisfaction they draw from their specific choice of the Royal Enfield bike. This conclusion can also be drawn from the fact that less than 4 percent of the respondents expressed dissatisfaction with their purchase.

However, there is room for improvements regarding pricing and mileage. This seems to be consistent with findings from similar studies in other geographical regions and cited in the review of literatures. The limitation of this study is clearly in the sample chosen. A much larger sample (more than 150) covering a much broader geographical region may yield results deviant from the findings in this study.

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