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UNDERSTANDING CUSTOMER BUYING BEHAVIOR: A STUDY OF HERO MOTORS CORP.LTD

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ABSTRACT

In order to have their wants met, consumers buy products. A robust economy is the result of a country's abundant production of goods and services. The phrase "buyer behaviour" may describe anything a person does when shopping. Views on the following topics are presented in this article: the origins of purchasing concepts, buyer behaviour, kinds, decision process, motives, and the conclusion.

A solid marketing campaign begins with a thorough examination of customer behaviours, attitudes, motivations, and demands since consumers are kings and consumers define businesses. Specifically, a marketer has to figure out the answers to these questions:

A scooter belongs to Mr. A. A number of issues with the scooter are to blame for the discontent it has generated. He opts to get a different scooter in its stead. The thought of a reliable scooter that won't break the bank excites him. Dissatisfied and lacking self-assurance, he opts not to get another scooter of the same kind. Thus, the notion for a new scooter germinates in his mind; whenever he thinks, "I must replace the scooter," impulse purchases start flooding in. As he considers

the idea, he considers the advantages. What kind of scooter will provide the advantages he seeks is the next natural question. Desire is fuelled by the advantages. To get the advantages he wants, he may purchase a scooter of any brand. He asks around and keeps tabs with the help of his buddies. The ad for the new scooters catches his eye. He picks one that has every potential benefit and is completely trustworthy. A dealer sees Mr. A as a potential client. In order to have their wants met, consumers buy products. Some of these requirements are universally essential (e.g., food and shelter), whereas others are more personal and do not pertain to fundamental survival. Those necessities that aren't absolutely necessary should probably be called wishes or desires. Actually, a lot of people in nations with high standards of living spend their money on luxuries instead of necessities.

1. INTRODUCTION

Consumer behavior refers to the mental and emotional process and the observable behavior of consumers during searching, purchasing and post consumption of a product or service.

Consumer behavior involves study of how people buy, what they buy, when they buy

and why they buy. It blends the elements from psychology, sociology, sociopsychology, anthropology and economics. It also tries to assess the influence on the consumer from groups such as family, friends, reference groups and society in general.

Buyer behavior has two aspects: the final purchase activity visible to any observer and the detailed or short decision process that may involve the interplay of a number of complex variables not visible to anyone.

What influences consumers to purchase products or services? The consumer buying process is a complex matter as many internal and external factors have an impact on the buying decisions of the consumer.

When purchasing a product there several processes, which consumers go through. These will be discussed below.

Purchase decision

Through the evaluation process discussed above consumers will reach their final purchase decision and they reach the final process of going through the purchase action e.g. The process of going to the shop to buy the product, which for some consumers can be as just as rewarding as actually purchasing the product. Purchase of the product can either be through the store, the web, or over the phone.

Post Purchase Behavior

Ever have doubts about the product after you purchased it? This simply is post

purchase behavior and research shows that it is a common trait amongst purchasers of products. Manufacturers of products clearly want recent consumers to feel proud of their purchase, it is therefore just as important for manufacturers to advertise for the sake of their recent purchaser so consumers feel comfortable that they own a product from a strong and reputable organization. This limits post purchase behavior. i.e. You feel reassured that you own the latest advertised product.

Factors influencing the behavior of buyers.

Consumer behavior is affected by many uncontrollable factors. Just think, what influences you before you buy a product or service? Your friends, your upbringing, your culture, the media, a role model or influences from certain groups?

Culture is one factor that influences behavior. Simply culture is defined as our attitudes and beliefs. But how are these attitudes and beliefs developed? As an individual growing up, a child is influenced by their parents, brothers, sister and other family member who may teach them what is wrong or right. They learn about their religion and culture, which helps them develop these opinions, attitudes and beliefs (AIO) . These factors will influence their purchase behavior however other factors like groups of friends, or people they look up to may influence their choices of purchasing a particular product or service. Reference groups are particular groups of people some people may look up towards to that have an impact on consumer behavior.

So they can be simply a band like the Spice Girls or your immediate family members. Opinion leaders are those people that you look up to because you respect their views and judgments and these views may influence consumer decisions. So it may be a friend who works with the IT trade who may influence your decision on what computer to buy. The economical environment also has an impact on consumer behavior; do consumers have a secure job and a regular income to spend on goods? Marketing and advertising obviously influence consumers in trying to evoke them to purchase a particular product or service.

People's social status will also impact their behavior. What is their role within society? Are they Actors? Doctors? Office worker? and mothers and fathers also? Clearly being parents affects your buying habits depending on the age of the children, the type of job may mean you need to purchase formal clothes, the income which is earned has an impact. The life Performance of someone who earns £250000 would clearly be different from someone who earns £25000. Also characters have an influence on buying decision. Whether the person is extrovert (out going and spends on entertainment) or introvert (keeps to themselves and purchases via online or mail order) again has an impact on the types of purchases made.

2. NEED FOR THE STUDY:

Customers consider various factors for purchasing of bikes in Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.). The factors they consider are based on certain demographic variables such as income, age,

occupation etc. It also depends on attributes and life Performance of the customer buying behavior becomes essential to get a competitive edge.

Some of the areas that are considered are:

- * Consumer recognition of a problem in their lives and the attempt to solve it by buying something.
- * How consumers search for things that they need.
- * How consumers evaluate the products that they buy.
- * What is the impact on dissatisfaction on consumer purchases?
- * How do consumers make purchase decisions?
- * What kinds of advertising is the most effective

3. SCOPE OF THE PROJECT

The study aims to measure buying behavior level of the customers regarding Hero MotoCorp Ltd. industries. The area within which the study was conducted regarding the information the primary data is collected in the form of questionnaire collected from the dealers in Rangareddy district. To sum up the project had within the scope of the study in the area of “**Customer Buying Behavior**” of Hero MotoCorp Ltd. .

The research measures the experiences of customers. Defines and analyses the experiences based on key deliverables. Gains insights into Customer expectations.

4. OBJECTIVE OF THE STUDY:

Main objective: The main objective of the study is to study the buying motives

of the customers regarding purchasing bikes in Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.).

4. OBJECTIVES:

1. To gain an understanding of the theories and concepts of Buyer Behavior, to find the age group, educational back ground, occupation / profession and income and income level of the respondents.
2. To know whether the customer is interested to buy the purchasing bikes in Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) or not.
3. To find respondents reason for purchasing the purchasing bikes in Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.)
4. To know the importance reason the respondents give to each factor for purchasing bikes in Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.).
5. To know the customer service satisfaction from the respondents.
6. To know the awareness of the brand Hero MotoCorp Ltd.

5. RESEARCH METHODOLOGY

SOURCES OF DATA:

PRIMARY METHOD:

Primary data are those, which are collected fresh and for the first time and this happen to be original in character. In this study primary data was collected by interview schedule method.

SECONDARY METHOD:

Secondary data are those, which are collected from existing data. Secondary data for this study include appropriate material from newspaper, Magazines,

Broachers, Company Reports, Standard Text Books, and information from Internet has also been acquired wherever necessary.

DATA COLLECTION INSTRUMENTS:

The instrument used for this study is an interview schedule. Questions related to objectives of the study from the major portion of the interview schedule. It mainly consists of multiple-choice questions so that the respondents can mark one or more of the several choice of answers. Secondary data has been gathered from many published sources such as Newspapers, Journals, Magazines, Company Reports, standard textbooks and information from Internet has also been acquired wherever necessary.

SAMPLE SIZE:

The study is conducted on a sample of 100 respondents.

SAMPLING FRAME:

The population for the study consists of Big Bazaar owners in the cities of Hyderabad and secunderabad.

RESEARCH INSTRUMENTS:

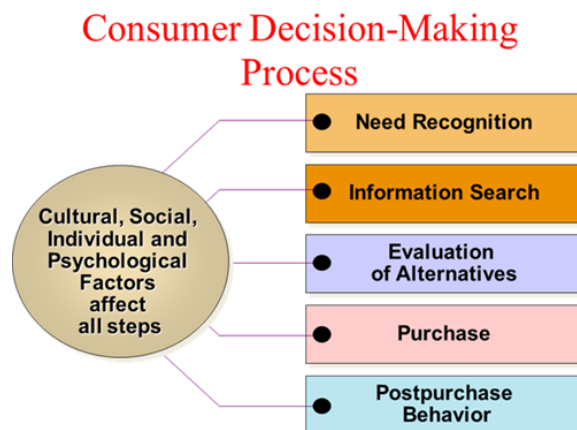
An interview schedule was used to conduct the study.

6. LIMITATIONS:

1. The Time Period Of Project Is 45 Days.
2. Though The Customers Wanted To Give Information They could not Give As It Wastes Their Business Time.

3. The Accuracy Of The Answers Depends Upon The Mode Of Interest Of Respondents.
4. Though the customers wanted to give information they could not, as they felt it takes away their business time.
5. The accuracy of the answers depends upon the mode of interest of respondents.
6. The opinions of the sample may or may not depict the exact opinions of the total population.
7. **THE CONSUMER MARKET:**

The consume market consists of all the individuals and households who buy or acquire goods and services for personal consumption. The simplest model consumer buyer behavior is the stimulus – response model. According to this model marketing stimuli (the four Ps) and the major forces (economic, technological, political, cultural) enter the consumer’s “black box” and reproduce certain responses.



Social factors influence buyer’s behavior. A person’s reference group- family, friends, social organizations, professional associations- strongly affect

product and brand choices. The buyer’s age, life-cycle stage, occupation, economic circumstances, lifePerformance, personality, and other personal. Characteristics influence his or her buying decisions. Consumer life-Performences the pattern of acting and interacting in the world are also an important influences on purchase decisions.

Finally, consumer-buying behavior is influenced by four major psychological factors- motivation, perception, learning, and beliefs and attitudes. Each of these factors provides a different perspective for understanding the workings of the buyer’s black box

CONSUMER BUYING BEHAVIOR

Possibly the most challenging concept in marketing deals with understanding why buyers do what they do (or don’t do). But such knowledge is critical for marketers since Wanting a strong understanding of buyer behavior will help shed light on what is important to the customer and also suggest the important influences on customer decision-making. Using this information, marketers can create marketing programs that they believe will be of interest to customers.

As you might guess, factors affecting how customers make decisions are extremely complex. Buyer behavior is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. Since every person in the world is different, it is impossible to have simple rules that explain how buying decisions are made. But those who have spent many years analyzing

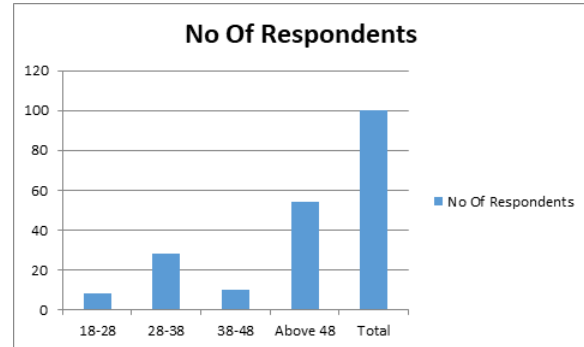
customer activity have presented us with useful “guidelines” in how someone decides whether or not to make a purchase.

In fact, pick up any textbook that examines customer behavior and each seems to approach it from a different angle. The perspective we take is to touch on just the basic concepts that appear to be commonly accepted as influencing customer behavior. We will devote two sections of the Principles of Marketing Tutorials to customer behavior. In this section we will examine the buying behavior of consumers (i.e., when people buy for personal reasons) while in the Business Buying Behavior tutorial we will examine factors that influence buyer’s decisions in the business market.

8. DATA ANALYSIS AND INTERPRETATION AGE GROUP OF THE RESPONDENTS:

The below table shows the age group of the respondents surveyed:

AGE	No Of Respondents
18-28	8
28-38	28
38-48	10
Above 48	54

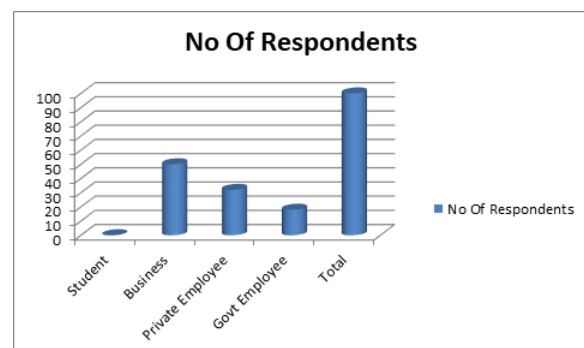


INFERENCE: From the above table, 8% of the respondents belong to the age group of 18-28 years, 28% of the respondents belong to the age group of 28-38 years, 10% of the respondents belong to the age group of 38-48 years, 54% of the respondents belong to the age group of above 48 years.

OCCUPATION OF THE RESPONDENTS:

The below table shows the type of respondents of the respondents surveyed.

Occupation	No Of Respondents
Student	0
Business	50
Private Employee	32
Govt Employee	18
Total	100



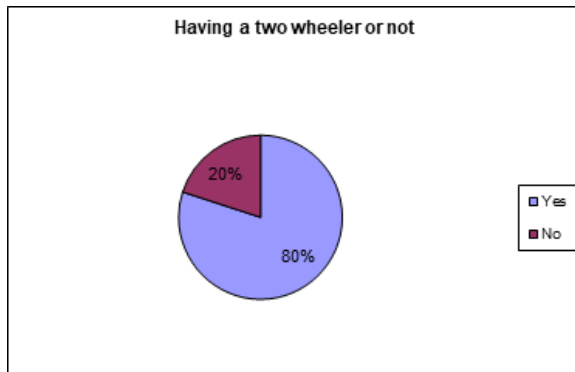
INFERENCE: From the above table 0% of the respondents are students, 50% of the

respondents are businessmen, 32% of the respondents are private employee, 18% of the respondents are Govt employee.

WANTING BIKE OR NOT:

The below table shows that whether the respondents is Wanting a bike or not

Wanting a bike or not	No of respondents
Yes	80
No	20
Total	100



INFERENCE:

From the above table 80% of people wanting bike and 20% do not want bike.

9. FINDINGS

- 50% of the Hero MotoCorp Ltd customers are business people and 32% of the customers are private employees.
- Most of the respondents belong to the age group of 18-50 years.
- Hero MotoCorp Ltd 150CC is the most preferred model in the Hero MotoCorp Ltd products.
- Most of the respondents getting information through the Media and

friends before purchasing the vehicle.

- Most of the respondents are motivated by their friends and family members.
- Most of the respondents have good satisfaction with the performance of their BIKE strength.
- 64% of the respondents are satisfied with the mileage of their BIKE.
- Most of the respondents felt that the price is reasonable.
- Cent percent of the respondents satisfied with the response of the sales executive at first visit.
- 60% of the Hero MotoCorp Ltd users have good satisfaction with the performance given by the company.
- Most of the respondents are satisfied with the response of the company to the complaints given by the customers.
- Most of the respondents are satisfied with the fulfillment of promises by the company.

10. SUGGESTIONS

- The BIKES recently introduced by Hero MotoCorp Ltd are mostly concerned about home base. So, they should also consider commercial people while manufacturing.
- Indian market is a price sensitive market's the BIKES should be at Minimum price with maximum quality.
- The standard of pricing should be improved.
- Advertisements in Televisions, offers should be increased to attract the People.

- If Hero MotoCorp Ltd can improve in Performance and brand image it will be the best in all the other competition brands.

11. CONCLUSIONS

- 45% of the respondents are Hero MotoCorp Ltd customers and hence it is most
- Preferred BIKE brand out of various brands.
- Hero MotoCorp Ltd 150CC is the most preferred model out of all products
- 60% of the respondents are considering Hero MotoCorp Ltd brand before
Purchasing there for use.
- Most of the respondents are getting information through friends
Before purchasing the BIKE.
- Most of the respondents are Wanting good satisfaction with dealer
Service comparing to other brands.
- Most of the respondents are giving more preference to mileage.
- 60% of the respondents are affecting by their friends and relatives.

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