

## Impact of sustainable branding on two wheeler purchasing behaviour of selected customer Population

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### **Abstract**

The study was conducted largely to analyse the impact of sustainable and innovative branding in the two wheeler automobile sector and the manner in which it is perceived by the working class people.

The average working class population can be considered as the major customers of the two wheelers industry and similarly the impact innovative sustainability branding has on their purchasing patterns can hugely impact a major chunk of sales for the automobile industry.

The study was conducted in a manner in which 25 SME'S were identified in the Pune area and the employees of these industries were handed out a set of questionnaire to identify what impact do the new changes brought about by sustainability branding have on their purchasing behaviour, also their previous levels of awareness pertaining to sustainability were evaluated to establish manners in which the innovative branding can be exploited to work as effective platforms for positioning and features for niche marketing

The post survey process consisted of the analysis and compilation of the responses of the various participants of the survey and based upon that conclusive opinions were formulated and effective suggestions were made so that the findings can be utilised further for implementation purposes.

### **Key Words**

**Sustainability, Branding, Innovation, Automobile Industry, Working Class, Purchasing Behaviour**

## Introduction

The sustainability branding has been occupying attention of policy makers from few decades, in 21<sup>st</sup> century it has become a main stream issue. Side effects of climate change are increasing day by day and are more visible than ever, therefore a completely new dimension of the practical implementation of sustainable development into regular business practice is requested.

Sustainable branding strategy demands integrated transformation of business model and synergetic approach, means collaboration of stakeholders around a common goal, with consumer in the centre with consideration of social, environmental and ecological terms. Marketing manager's responsibility in this sense is important

Accordingly, with the evolution of marketing, green marketing each aspect of marketing mix has been improved. Green marketing involves all marketing activities with the aim to stimulate and sustain environmentally and ecologically balanced and friendly attitudes of consumers.

The area through which companies achieve the highest level of interactions with consumers as the central element is Branding area, it has risen as the most influential area of sustainable marketing strategy. Satisfied consumers are the driving force of brands as assets, they can be the initiators for enlarging a group of environmentally and ecologically conscious consumers. adoption of sustainable brands uses have the power to initiate deeper changes in people buying behaviour and ensures the balance between Consumers companies and society.

Sustainability of branding includes collaborating, creating implementing, learning creating, assessing and constantly evolving. The process that is integrated in all companies with the aim of successful adoption of sustainable brands.

Brand is the collaboration of functional and emotional characteristic perceived by consumers as additional value, and fulfilled promise. Brand is the strategic resource and most powerful asset. Sustainable brand is one which gives added values to the consumers in terms of social and ecological terms. In recent years consumer interest in environmentally friendly alternatives has risen drastically. And so their expectations of brands. In this overall process from brand to sustainable brand, innovation plays important role.

Innovation in designing, producing, developing and maintaining the brand plays major role in different sectors. with the innovation in branding gives added values in terms of social and environmental with consumer benefit remains main concern. The relation between business and sustainability has become important aspect of study. for long term future of human health and environment, both in those countries that are already developed and those that are developing .

## Economic Problems in Auto Industries

The problem of auto-industry is that it is insufficiently profitable. there is gap between production supply and market. some of the reasons are

Over supply of different models may result in rapid depreciation discounting and premature scrapping of vehicles. manufacturing in flexibility and high utilization , breakeven points enhances pressure to oversupply management of extensive logistics .

Effect of two wheelers on Environment

Mostly vehicular emissions accounts for larger part of air pollution . An ordinary two wheelers emissions contains most of micro carbon particulate (CO, CO<sub>2</sub> ), traces of toxic materials like sulphur, lead and nitrogen oxides (NO<sub>x</sub> ) .When these matters enters into atmosphere tends to pollute the environment by rapid mixing of these pollutants.

Two wheelers causes more pollution than four wheelers because two wheelers emits fewer greenhouse gases but produces more smog forming emissions than a four wheelers.

For reducing pollution and social issues of two wheelers government made rules and regulations for automotive industries which includes banned on production of BS3 engine and BS4 engine vehicles will be ban by 2020.

Some automotive industries also doing innovative sustainable branding in two wheeler sector like Hero introduced i3S technology. this system automatically switches off the engine when not needed .and then switches the engine when clutch is pressed. when two wheeler stops the i3S system puts the engine in sleep mode.

Government is working in incorporating electrical vehicles for sustainable future in terms of social and environmental aspects.

### Objectives:

- To understand the various factors which can be used for sustainable branding in the two wheeler automobile sector
- To study the impact of various factors of sustainable branding on the purchasing behaviour of the working class customer.
- To analyse the scope of sustainable branding as a medium for brand positioning.

## Scope of the Study

Economic, social and environmental profitability is undeniably important but their coexistence is something which is of major interest to the future marketers with respect to the use of measures which pave way for sustainability as well as profit in the means of either branding or positioning.

This study can be considered to be as a ground survey to ascertain the viability of future investments and the readiness of the customers to act as partners in this path breaking innovation.

## Literature Review

Following papers are reviewed for this study

- ❖ Dyllic, Thomas and Rost zoe (2017) conducted a study on ‘True product sustainability’. This study shows product sustainability usually looked at from a business perspective with the goal to reduce the product related risks or differentiate product from competition.
- ❖ Horlings S.(2010) did study on ‘Bridging the gap between branding’ sustainability and consumers demands. Which gives brief information of correlation between branding, sustainability and demands of consumers.
- ❖ Peter Jones ,Colin Clarke -Hill and daphne comfort (2007) did study to aware marketers about marketing and sustainability.
- ❖ Ho yin Wong (Department of Marketing Griffith University)Australia, did study of branding strategies in SME(small and medium enterprises).
- ❖ The traditional brand management and strategic branding are reviewed. The study of brand orientation, brand marketing performance and brand barriers is done and referred the new theory of SME branding.
- ❖ For this study the purchasing behaviour of consumer was studied and observed. How consumers buy goods and services, and on what basis they buy all goods and services. Different factors affect consumer buying behavior,

Different factors which effects are :-

- 1) Demographic Conditions
- 2) Socio-cultural conditions
- 3) Economic conditions
- 4) Customer psychological conditions

These are the main factors which affects mostly on consumer buying behaviour. Primary as well as secondary data was collected to know consumer preferences while making purchase decisions.

We studied all possible factors that that incorporates purchase and consumer decision

Then questionnaire was made for consumers which responds to major factors that affect decision making in motorcycle market.

For sustainable branding hero is using different techniques like i3S technology to reduce carbon emissions compare to other motor cycles, which leads to Environmental and ecological conservation.

Major factors which lead to growth of Two-wheeler industry are-

- ❖ The average family income has increased
- ❖ Financing has become easier Economic and fuel efficient engines
- ❖ The Gross Domestic Product has grown by 8%

Major Drawback is Environmental and ecological concern. For saving environment reduction in Carbon emission is important. some countries are working on this issue and for solving and reducing this issue Innovative branding techniques are important to and there is need to implement these techniques.(example i3S technology used by Hero motocorp Ltd).

### **Demographic Profiling**

Occupation: Working (Above INR 10,000 &  
Above per month)

Location: Pune, Maharashtra

#### **Factors Identified:**

- Awareness levels,
- Willingness to pay an extra amount towards the added benefits,
- Recognition levels towards CSR,
- Sensitivity towards physical environment and society at large,
- Psychology towards Sustainability measures

**Research Design-** Descriptive Research

**Sample Size-** 1600 Employees

**Sampling Area-** Kothrud (Industrial area)

### **Data Type and Analysis Tools**

**Primary Data-** Survey was taken in the Questionnaire pattern in the form of Google forms

for online option and a hardcopy hand-outs were also distributed as per the permission granted by the management of the company.

**Secondary Data-** Information was accumulated through various research papers and books and other information available over the internet to understand the sustainability branding measures in the two wheeler sector.

### Analysis Tools-

The questionnaire was formulated in a multiple choice based format and the respondents were asked to select the most apt answer based upon purely their understanding of the subject.

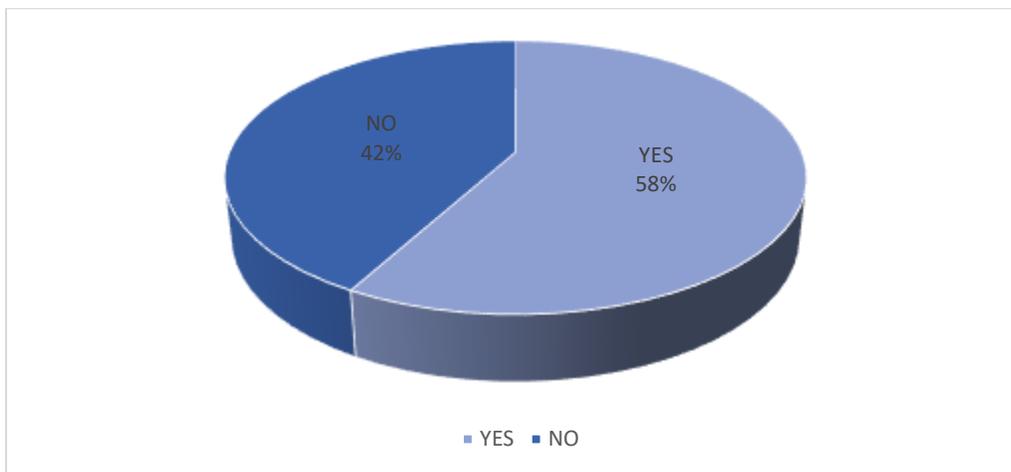
The answers were consolidated individually and analysis was done based on the percentage of inclination for each available option.

The result of the compilation of the data paved ways for the analysis based on the figures which further enabled the identifications of possible dimensions and relations amongst various factors related to sustainable branding.

The compilation and analysis tool employed was MS-excel 2010

### Analysis and Interpretation

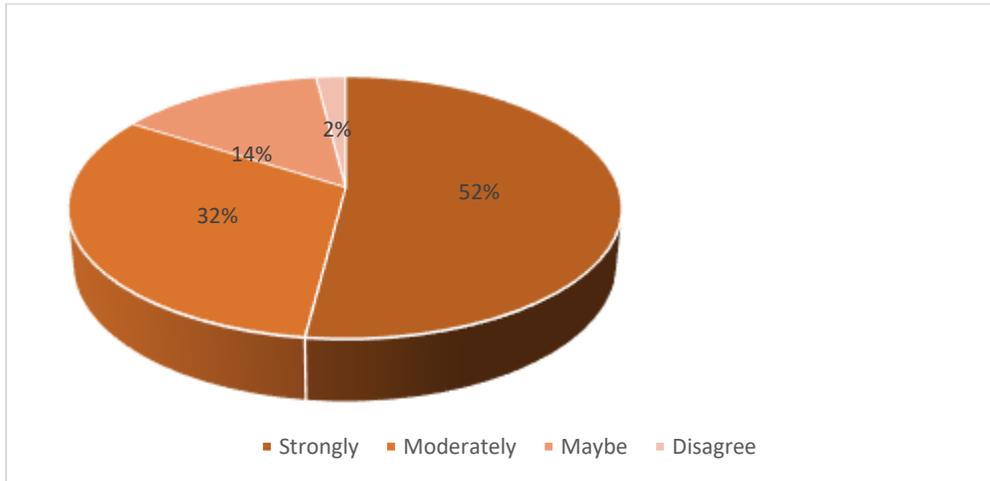
#### 1.Are you aware about the term sustainable branding?



The Awareness levels amongst the respondents were fairly in majority but the on boarding of the remaining 42% needs to be given importance since they too can be utilized as profit generating opportunities.

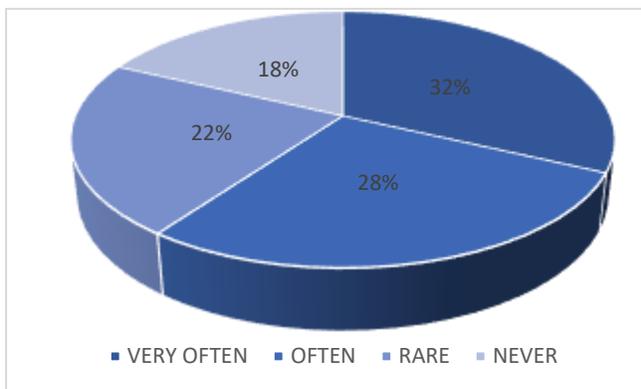
Further this also can act as an indicator towards the need of more techniques in which the importance of sustainability can be laid emphasis on .

## 2. Do you recognize the need for more sustainable alternatives to present availability in the two wheeler automobile sector?



The response can be clearly understood as an indicator of the fact that a lot of room is present for innovations in terms of sustainability achievement in the automobile sector and the customer can be considered as receptive to this change

## 3. How often do you consider checking about the emission levels of your two wheeler?

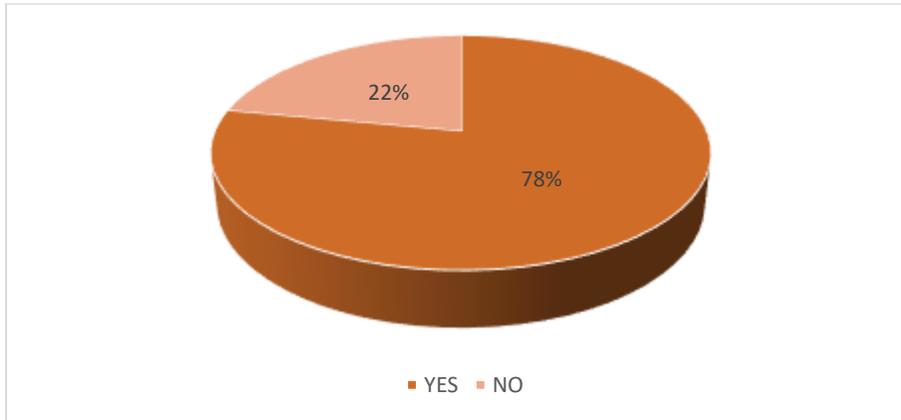


This can be interpreted as a good indicator of people who are conscious about the emission levels and can further act as the target audience for future innovations.

Also, a considerable chunk of people altogether ignored the impact towards the environment hence,

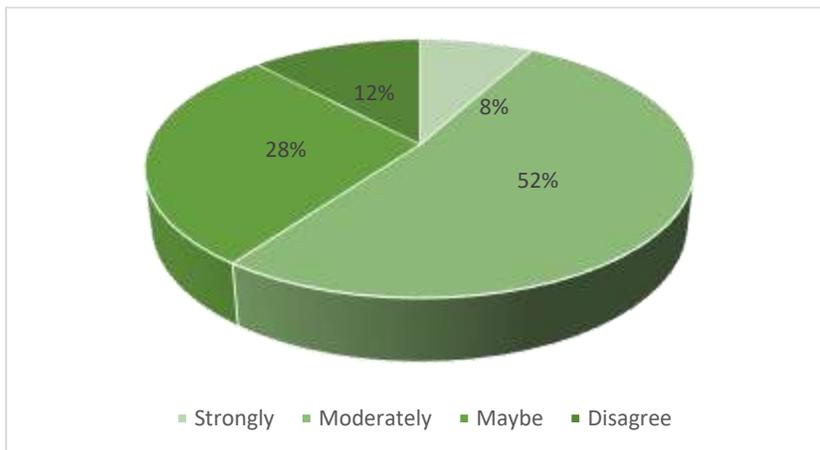
it can be converted into a platform for spreading awareness through campaigns and establishing a green image of a brand.

**4.Are you interested towards more environmental friendly and efficient alternatives over your two wheeler?**



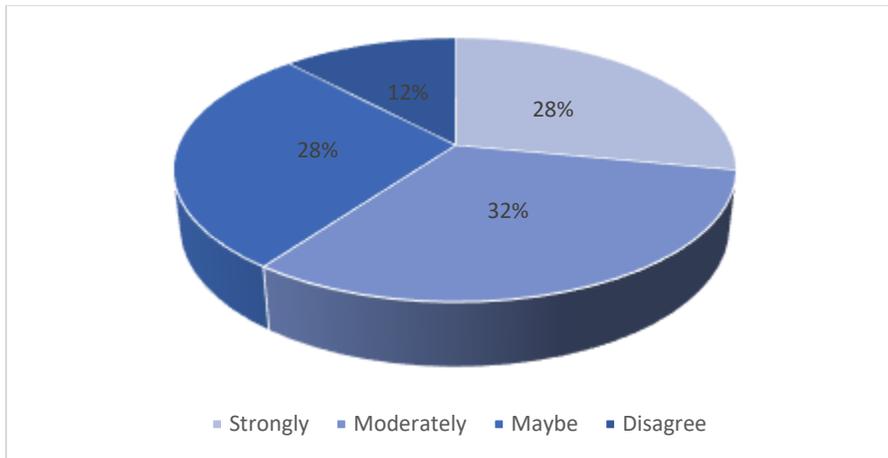
More than three quarter of the respondents were interested towards purchasing more environmental friendly and sustainable alternatives over the present two-wheeler they are driving. This is further a positive indicator for more investments in sustainability in the two wheeler industry

**5.How willing are you towards investing a higher amount in sustainable bike over the conventional one?**



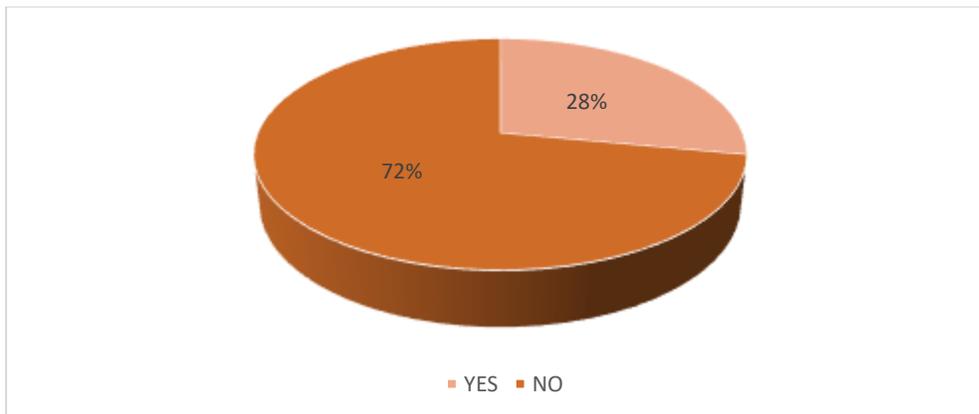
With regards to additional costs, not many respondents were firm supporters, though more than half did agree on paying slightly more. Still, at this stage penetrative pricing and market capturing tactics can be adopted .

### 6. Would you prefer an electric motorcycle over the fuel driven ones?



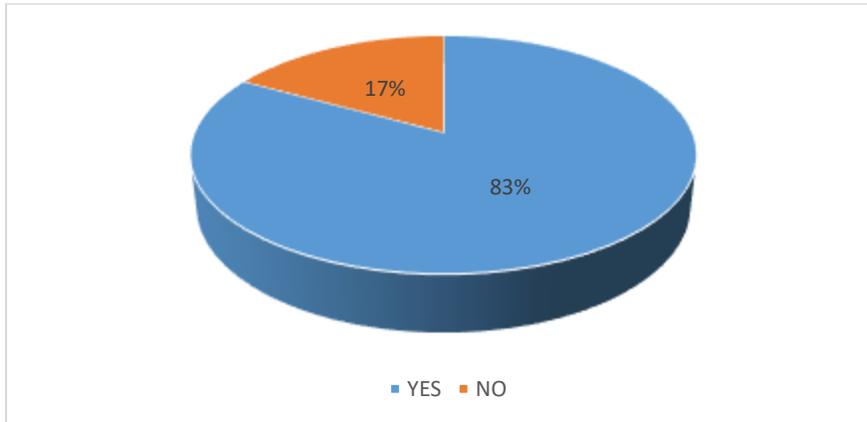
A fairly decent amount of inclination too can be seen towards electricity driven two wheelers. This sector of two wheelers can be effectively explored for further sustainable innovations.

### 7. Will you purchase a bike from a brand which has low ratings towards being environment friendly



An awareness towards brand ratings too can be another factor for establishing positioning in the niche markets as a green brand due to the fact that people are less likely to associate themselves with blacklisted brands

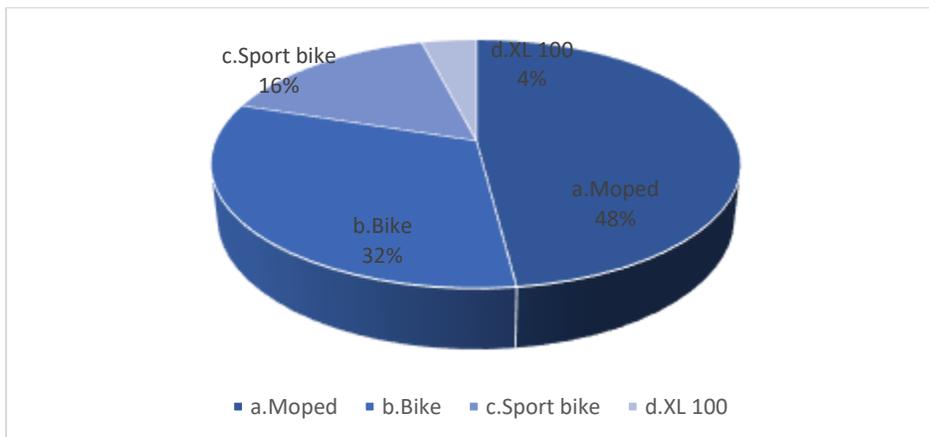
**8. Will you consider the emission level and the carbon footprint of a company if made available, to make a choice between various bikes choices?**



83% of the respondents agreed to the fact that they shall employ carbon footprints as a parameter for their opinion formation and alternative evaluation, if enough data and information is made available to them.

This can be taken as another measure of sustainability branding implementation by making such information readily available and doing such type of comparisons, whether sponsored or third party can become another trend in the future.

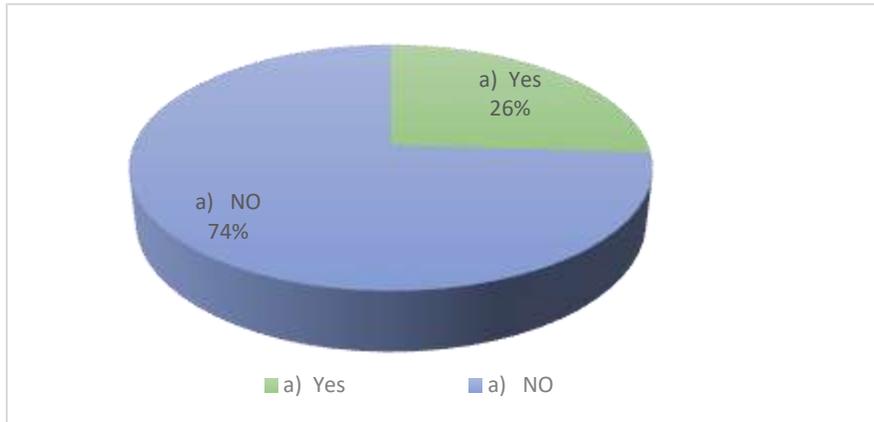
**9. Which two wheeler do you usually prefer ?**



In the two wheeler segment has majorly four types of variants like the moped, bike and sports bike. From the understanding of the above data it can be stated that in majority of the companies about 48% of the employees would prefer buying a scooty over the other vehicles.

It can be understood that mostly people in the SME working class prefer scooties and it is more apt to provide them with discounts on variants

### 10. Do you want to exchange your vehicle?



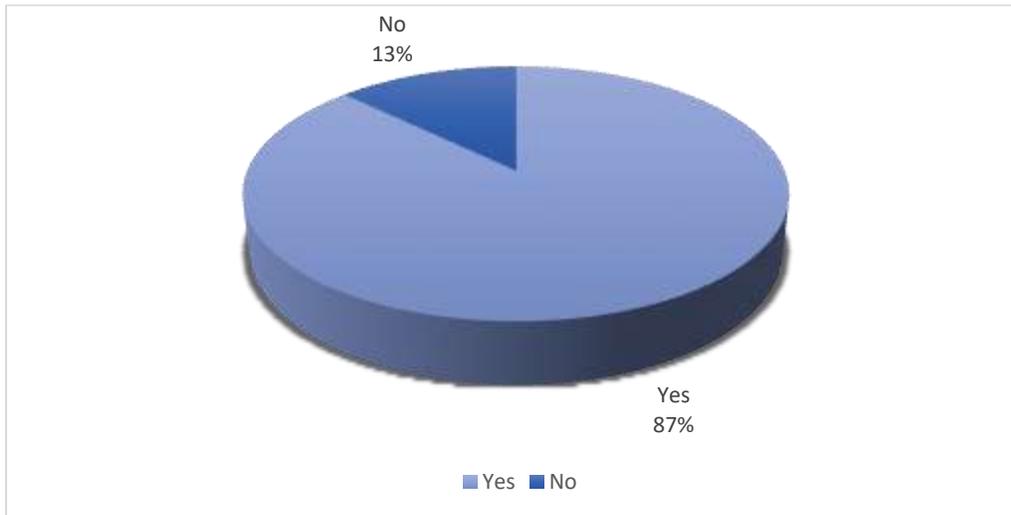
A lot of buyers usually tend to exchange their preowned vehicles at the dealers itself on purchase of a new one.

The old vehicle is evaluated by its condition, year of purchase , and resale value and an appropriate price is estimated for the same.

Also, the company offers various bonuses during festivals and seasons . It has been observed as per records that these scheme do indeed attract new buyers and encourage sales.

It can be understood from the above response that about one quarter of the respondents are willing to exchange their pre owned vehicles in lieu of a newer vehicle , this can be used to support the decision to offer some added discounts on exchanges to the employees of the targeted companies in addition to the original evaluation policy of the company . This can be implemented at the dealership end also.

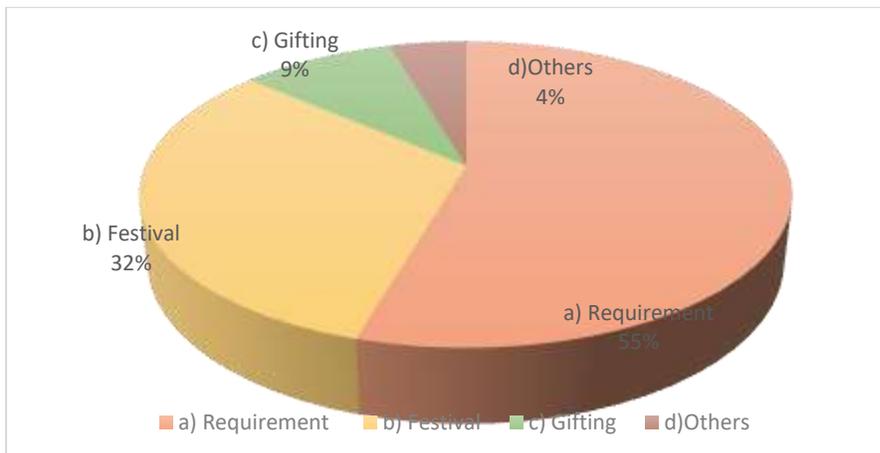
### 11. Is resale value a criteria for your selection?



It can be understood from the above response that more than 3 quarters of the people do indeed care about the resale value of their vehicle .

This can be effectively utilized by innovation and maintaining sustainability of the vehicle by various innovative techniques.

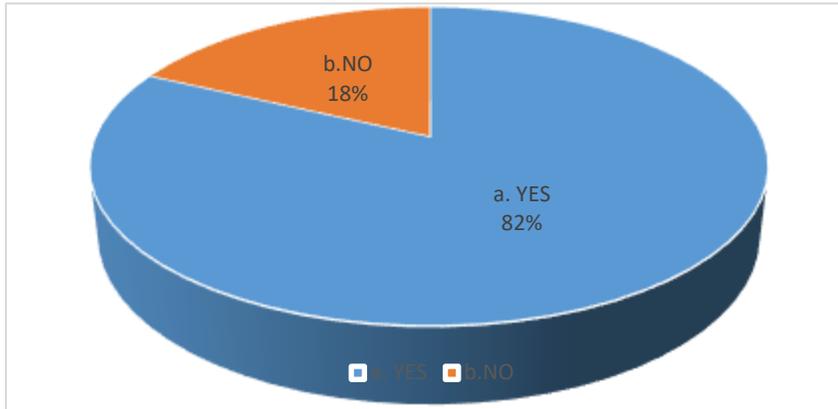
### 12. When do you generally purchase a vehicle?



The basic objective of asking this question was to know as to what can be the basic reason for buying a two wheeler . The reason if incase is festivals , as per survey it is the second most frequent reason , it can be used to effect the various schemes which will be formulated in a manner that there can be some festival discounts which usually are not available to other customers .

Also , the parameter where the two wheeler is purchased as a gift , this can be used to avail a complementary gift packaging and free home delivery as well .

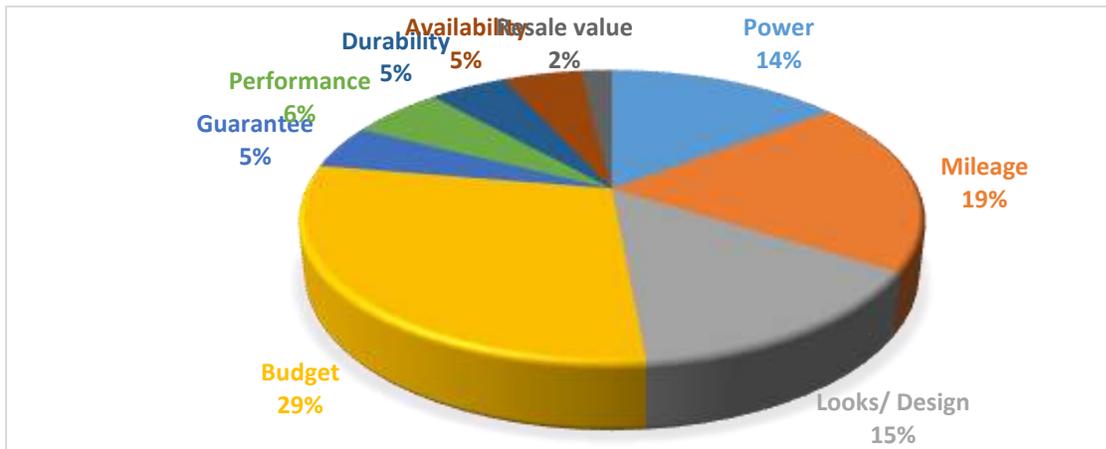
**13. Would you prefer home delivery of your bike?**



Home delivery is another service which is greatly coming up in the automobile sector. This can be used to effectively reach out to the people living on the outskirts and make the purchase procedure hassle free for them .

Also , canopy and displays near offices can be arranged in case of any sort of bulk booking is requested by the company or such is anticipated during season and festivals.

**14. What is the parameter for your purchase for a bike?**



As per survey it can be inferred that 29 % respondent depends upon Budget, followed by 19% comes under availability, respondents considering looks and design consist of 15% & 14% respondent consider power for their buying decision, rest 15% respondents consider availability, durability, guarantee 5% each as a factor .The respondents considering performance and resale value comprises of 6% and 2% respectively.

Interpretations-

The above data can be used to understand the various factors on which the purchasing decisions of the customers are based on. Depending upon the customers the various above parameters can be accordingly highlighted while giving product demo's

Also , the above data can be used to find out the requirement of the majority and accordingly whichever category of vehicle suits the characteristics, appropriate discounts can be offered.

**Findings:**

- It was observed that most of the respondents had a fairly decent idea about sustainable branding.
- The respondents largely felt the need of better and more alternatives which are sustainable in nature.
- The level of emissions by their two wheeler is another area which people are considerably aware about, though another chunk completely ignored it altogether
- Respondents were fairly reluctant to pay an additional amount, though some did agree upon paying a minimal cost in case the product offered is sustainable
- Electrical motorbikes were another sector which can be seen to evoke interests of the respondents
- Further it was also observed that most of the respondents were not interested in brands which had a negative image with regards to sustainability.
- Respondents also seemed to be interested in knowing the comparisons between the various alternatives in terms of their rankings on the sustainability charts.
- Mostly the workers of the SME's preferred scooty and mopeds

Exchange and resale value are another parameters which can be used as areas to implement sustainability

- Resale value of the vehicle was one of the stressed upon areas which can effect the purchasing decision of the customers.
- Home delivery was also preferred by many and the purchases also seemed to go up during festivals, the reason of which can be the bonuses provided to the employees.
- Budget was again found to be one of the most important parameter which effects the purchasing decisions of the employees

**Suggestions:**

- Campaigns can be done to spread awareness regarding sustainable branding and innovation techniques which shall pave ways for the positioning of the brand as a green label in the two wheeler automobile sector.

- Projection as a niche marketing sector can be another parameter to implement sustainable branding in the two wheeler automobile sector.
- Since , the customers were not very keen on paying higher costs , penetrative pricing can be done initially to capture the markets.
- Regular Ratings and Comparisons amongst the various key players in the two wheeler segment should be carried out regularly to identify the sustainable brands, which will help with the positioning of the brand in the mind of the customers.
- Electric motorbikes were another segment which seemed to be of large interest, this can be utilised as another venture into sustainability by various entrepreneurs
- The two wheeler automobile sector can be a very good option for innovative and sustainable innovations by innovators, entrepreneurs and stakeholders.
- Providing better post sales service like servicing and complaint resolving which another concern of most of the buyers was.
- Resale value of the two wheelers can be increased by making them more sustainable which can greatly impact their sales.
- Budget seemed to play another major role in Purchasing criteria for the employees this can be kept in mind while making plans of sustainability branding.

### **Conclusion:**

It can be observed that though the respondents are keen to adapt to more sustainable innovative ways but there are not many customer centric options available and the two wheeler automobile industry at general needs more approachable innovations. This can also be regarded as a platform for more investments and opportunities.

Another parameter of concern was the increase in price of the vehicle with added sustainability which seems to be a deterrent while making purchasing choices.

Furthermore, if information is made available regarding the various sustainability ratings it too can have an impact on the purchasing decisions as customers like to be associated with brands which have an overall positive image

Customization and priority based complaint addressal are few ways one can stay relevant in the cut throat competition especially when your competing with the market leaders in that segment.

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