A

RESEARCH PAPER

ON

"EXPECTATION MEASUREMENT AND SATISFACTION MANAGEMENT OF RURAL CONSUMER: WITH SPECIAL REFERENCE TO BICYCLE PRODUCTS"

BY

ABSTRACT

The huge thrust by marketer into rural markets triggered by saturating urban markets and knowing the latent needs of this huge rural potential market. The marketers efforts and their own increased interaction riding on the growing reach of media, of course apart

from increased purchasing power marketers are seeking fresh challenges and coming in a big way to attract this large and relatively untapped market with newer variety of products specially designed for those markets, price cuts lucrative schemes, appealing advertisement and logistical support by the way of e-chaupals and rural malls have affected rural consumers in ways difficult to measure. The study covers the expectation measurement and satisfaction management of bicycle users in the rural part of the country. The data is collected from the users of the bicycles residing in the rural area of Jaunpur, a District of eastern Uttar Pradesh. In the study we have tried to measure the expectation and satisfaction of the consumers of bicycles.

Key Words: Expectation, Delight, Product Quality, Satisfaction, Performance,

INTRODUCTION

With the far-reaching changes in rural India by means of the agricultural revolution, spread of education, improved infrastructure, better banking facilities etc., significant changes have been noticed in the buying and consumption patterns of the rural consumers. All these factors initiated a consumption drive among the rural population. As a result, a dominant theme emerging over the last few years in Indian marketing is rural marketing. The increasing penetration of electronic media and advertising into rural areas has also facilitated this. In addition to this, the rural population is also aspiring for better

lifestyles, especially with the increasing disposable incomes accruing to a significant section of them. The national and multinational consumer durable and non-durable i.e. Fast Moving Consumer Goods (FMCG) companies identified the vast potential of the rural markets and attempted to target these markets. Product expectations are predictions about how good a product's performance will be (Oliver 1997),. They can influence both product choice and satisfaction. A product may be chosen if it is expected to perform well, which may lead to satisfaction if the performance meets or exceeds expectations (Oliver 1980). The past studies has suggested that measuring customer's satisfaction with the firm's past performance induces more favorable evaluations of the firm and has a positive effect on purchase behavior and loyalty (Dholkia and Morwitz, 2002), they pointed out the possibility that satisfaction surveys can be used strategically to strengthen customer relationships. Because evaluations of satisfaction with the firm's past performance are likely to provide the basis for expectations about its future performance, measuring expectations might have similar effect on subsequent evaluations and behavior as measuring satisfactions.

It is widely accepted that exceeding customer expectations is key to customer satisfaction, delight and loyalty (Kotler 2000), the measurement of expectations affects their content and clarity, the need for customers to state expectations before a consumption experience is likely to make them more accessible during the experience.

The thrust of marketers into rural markets, triggered by saturating urban markets and huge rural potential very much reflected in growing demand, has created an uproar into these markets. Rural market has been growing steadily over the years and is now bigger than the urban market for fast moving consumer goods (Balakrishna and Sidharth, 2004). Marketers are forever seeking fresh challenges and exploring for more and more clientele to be drawn into their sphere of influence. They are coming in a big way to attract this large and relatively untapped market. New variety of products specially designed for these markets, price costs, lucrative schemes, appealing advertisements and logistical support by way of e-chaupals and rural malls have affected rural consumers in various ways. An analysis of the National Sample Survey (NSS) suggests that out of the total expenditure on manufactured consumer goods, nearly 75% is spent in rural India. This size has remained unchanged for the past 40 years. Even though the per capita consumption and expenditure on manufactured consumer goods is low in rural areas, the market is much larger. The rural environment in India is fascinating and challenging, it offers large scope on account of its sheer size and demand base. The Indian rural markets began demonstrating their potential in the 1960s. This coincided with the Green Revolution. At that time, many manufacturers were hesitant to enter the rural markets as they believed that;

    a. Rural folks cannot be convinced of the uses, and hence the need for manufactured products cannot be created in rural areas.
    b. Difficulties in having free accessibility to these distant markets forced the manufacturers to think that they cannot be served economically and profitably.

Many manufacturers later realized that these were only myths. The Green Revolution proved that agriculturists can absorb technical complexities. If they could adopt high yielding varieties of crops and understand the use for fertilizers, insecticides, pesticides and modern farm equipments, there should be no difficulty in making them amenable to urban-based consumers durables and non-durables. Gradually, marketers penetrated into these markets and began to realize the latent potential lying dormant therein. Prosperity in rural areas is very much reflected in the buying and consumption habits of the rural people. Their inclination to spend on modern and hi-fi products has increased as a result of their increase in purchasing power.

Bicycle Industry an Overview

1. **Hero Cycles:** Hero Cycles is a product of Hero group, the journey of Hero's started before independence. The four Munjal brothers, hailing from a small town called Kamalia, now in Pakistan, are the men who are behind the mission. In the year 1944, they decided to start a business of bicycle spare parts in Amritsar. It is a modest beginning and the next 3 years saw the business grow rapidly. But the dark clouds of partition eclipsed their plans of the future. With renewed vigour and optimism, the operational base was shifted to Ludiana. By 1956, the brothers had began manufacturing key components of bicycles and as a logical way forward began to assemble the entire cycle at their manufacturing plant in Ludhiana. In the early days, the plant had a capacity for 25 cycles per day. Over the next few years, the Bicycle unit started growing in stature and size attracting skilled engineers, technocrats, administrators and entrepreneurs. From a modest beginning of mere 639 bicycles in the year 1956.Hero Cycles products over 18500 cycles a day today, the highest in global reckoning, with the 48% share of the Indian market. This volume has catapulted Hero in the 'Gunness Books of World Records' in 1986 and edge over global players is being maintained since than.

2. **Avon Cycles:** The Avon Cycles is the product of Pahwa brothers, the founder dreamt of giving the common man of this country an affordable means of mobility in those early days of our independence. Starting up a bicycle saddles and brakes manufacturing unit in 1948, the Pahwas set out on a long and arduous journey. Avon Cycles came into being in 1952 when the first batch of 250 bicycles rolled out of its plant. The numbers have been going up, ever since. From amongst the pioneers of the Indian bicycle industry, the manufacturing units are located at Ludhiana. AVON has remained in the top performers' position for over half a century; The Company is committed to delivering quality at affordable price. Technological innovation has been one of the most natural advantages of its organizational structure. In more than fifty years of its being, it has invested heavily in its human capital, the highly motivated work force carries a sense of belonging, and the happiness is the key to its growth.

3. **Atlas Cycle Industries Ltd.:** Janki Das Kapur had a dream to provide quality Bicycles to his countrymen at reasonable prices. A modest begging of Atals Cycle Industries Ltd. in an improvised shed was made at Sonepat. In the very first year of operation 12000 Atlas cycles rolled out of the plant, soon the first consignment

of Atlas Cycles was sent overseas. Atlas has since than exported to over 35 countries. Atlas was presented with the FICCI Award for 'Best Industrial Relations', its international arena did not go unnoticed either, Italy's Gold Mercury International Award was conferred on Atlas. The innovations and the constant quest for perfection continued.

4. **T I Cycles:** T I Cycles of India, one of the leading bicycle manufacturers in India, is a part of USD$2b Murugappa group. The company started in 1949, has been at the forefront of innovations and pioneer in the market of cycles. T I cycles are the makers of country's most famous brand Hercules BSA. T I cycle is the only bicycle manufacturer with a 2 brands- BSA for the comfort end of the market and Hercules for the rough and tough end of the market.

The bicycle is an important transport means in rural India as the road conditions in rural part of the country is not so smooth and well maintained; this rough and tough road condition encourages the rural people to go for the bicycle. The bicycle is used for all kind of transpiration including personal transportation-family transportation, carrying daily household's items and business purpose also.

Keeping the growing demand and importance of bicycles in rural part of the country every manufacturer is trying to capture this market by offering new and new models as well as brands. The brand development and modifications in the existing brands should be done as per the consumer expectations, and then only they can capture the market of bicycles and win the battle in this global competitive market.

Considering these facts in the mind the present study is covering the expectation level and satisfaction of the rural consumers with respect to the existing bicycle brands.

Objectives:

The objectives of the study are as follows:

1. To study the consumer expectations with respect to Bicycles.
2. To analyze the performance and satisfaction level of the rural consumers with the performance of their Bicycles.
3. To prepare a demographic profile of the consumers using Bicycles in rural India.

Methodology:

In order to accomplish the objectives of the study, data was collected from the users/consumers of the Bicycles in the rural area of Jaunpur District of eastern Uttar Pradesh. The data was collected with the help of a structured questionnaire and more than 150 consumers/users of cycle products were contacted personally, and 149 respondents are included in the analysis, others were rejected due to incomplete or did not returned by the respondents. The performance of the Bicycle products was measured on 5 – point

Likert Scale ranging from 'very good' to 'very bad', in all the performance was measured on 12 attributes such as: Price, Durability, Brand popularity, Body strength, Tyre size, Height, Riding Comfort, Body Weight, Carriage facility, Design, Overall look, Model etc. These attributes are divided into five dimensions in order to measure the product quality, the scale can be known PRODQUAL (Product Quality), these dimensions are Physical Structure of the Bicycle, Quality, in terms of the brand name and popularity of the model or brand, Toughness, and Comfort, in terms of riding and handling, (Figure - 1).

Product Quality (PRODQUAL) Dimensions

Dimension 1= Physical Structure; includes, overall look, design, model and carriage capacity

Dimension 2=Quality; includes, brand popularity and price

Dimension 3= Toughness; includes body strength, durability and size

Dimension 4= Smoothness; includes, body weight, riding comfort and height

Sample Profile:

Age: A great majority (63%) of the respondents are coming from young age i.e upto the age group of 30 years, followed by (23%) middle age group i.e. upto 50 years of age, and rest (14%) are from old age group (more than 50 years of age).

Education: Less than one third (29%) of the respondents are highly educated i.e graduate onwards, while one fourth (27%) of the respondents are having primary education and rest (44%) of the respondents are having higher secondary education.

Gender: All (100%) of the respondents are male.

Family Size: More than half (52%) of the respondents are having middle family size (three to five members family), while one forth (25%) of the respondents are from small family, and rest (23%) respondents are having large family size (more than five members).

Income: A great majority (73%) of the respondents are having lower-lower monthly income (upto Rs. 2,500=00), and (21%) of the respondents are having lower monthly income i.e. upto Rs. 5,000.

Item Analysis: In order to measure the soundness of the tool used for the measurement of the consumer expectation/performance of a bicycle, the chi square test is applied and almost all the attributes used for the measurement of the expectation are significant except carriage facility, body weight and over all look, but when these attributes are

clubbed with the product quality dimensions (Physical structure, Quality, Toughness and Smoothness) the item analysis is significant (Table-1).

Table-1

Chi Square Test of the Attributes

Name of the Attributes	Degree of freedom	Chi Square	Significance
Price	4	72.85	.000
Durability	4	66.40	.000
Brand Popularity	4	23.45	.000
Body Strength	4	31.10	.000
Size	4	12.11	.017
Height	4	15.26	.004
Riding Comfort	4	14.32	.006
Body Weight	4	9.89	.042
Carriage Capacity	4	8.01	.091
Design	4	5.46	.243
Overall Look	4	6.67	.154
Model	5	29.35	.000
Physical Structure	16	83.64	.000
Quality	8	58.00	.000
Toughness	12	85.61	.000
Smoothness	12	84.67	.000

Results:

Expectation measurement of the bicycles as per the responses of the consumers is presented as follows (Table-2).

1. **Price:** A great majority (60%) of the respondents reported that the price of their bicycle is good, while one forth (25%) of the respondents reported that the price of their bicycle is average. The mean value of the item is 3.83, with 1.28 S.D. and S.E.10.
2. **Durability:** A great majority (62%) of the respondents reported that the durability of their bicycle is good, while more than one forth (26%) of the respondents rated that the durability of their bicycle is average one. The mean value of the item is 3.87, with 1.17 S.D. and S.E.09.
3. **Brand popularity:** More than half (54%) of the respondents reported that the popularity of their bicycle brand is good, while one forth (25%) of the

respondents reported that the brand of their cycle is so-so. However around one fifth (21%) of the respondents reported that the popularity of their bicycle brand is bad. The mean score of the item is 3.50, with 1.16 S.D. and S.E. .10.

4. **Body strength:** More than half (55%) of the respondents rated body strength of the bicycle product good, while around one forth (24%) of the respondents reported that the body strength of their product is an average one, with mean 3,48, S.D. is 1.16 and S.E. .09.

5. **Tyre size:** Less than half (44%) of the respondents reported that the tyre size of their bicycle is good, while more than one forth (28%) of the respondents reported that the tyre size of their bicycles is not good, and rest (28%) of the respondents rated tyre size of the bicycles as an average one, with mean 3.19, S.D.is 1.30 and S.E. .10.

6. **Height:** Less than half (45%) of the respondents reported that height of their bicycle is good, while more than one forth (26%) of the respondents reported that the height of their bicycle is bad and rest (29%) of the respondents rated height an average one. The mean value of the item is 3.26, 1.27 S.D. and S.E. .10.

7. **Riding Comfort:** More than one forth (27%) of the respondents reported that their bicycle is not good and smooth to ride, while (29%) of the respondents reported that their cycle is an average one as far concern the riding comfort ability. The mean value of the item is 3.30, S.D. is 1.29 and S.E. .10.

8. **Body Weight:** Half of the respondents (50%) reported that the body weight of the bicycle is good, while more than one forth (29%) respondents reported that the body weight of their cycle is bad, the mean value is 3.31, S.D. is 1.43 and S.E. 0.12.

9. **Carriage facility:** One third (33%) of the respondents reported that the carriage facility of the bicycles is bad, while around half (47%) of the respondents reported that the carriage facility of the bicycle product is good. The mean socre of the item is 3.26, and S.D. is 1.46 with .12 S.E.

10. **Design:** Around one third (32%) of the respondents reported that the design of the bicycles is not good, while 46% of the respondents reported that the design of the bicycle products is good. The mean value of the item is 3.19 and S.D. is 1.33 with .11 S.E.

11. **Overall look:** Half (50%) of the respondents reported that the overall look of the bicycles available in the market is good, the mean value of the item is 3.27 and S.D. 1.38 with .12 S.E.

12. **Model:** More than one third (38%) of the respondents reported that the model of their bicycles is not good, the mean value of the item is 3.03, the S.D. is 1.47 and S.E. .12.

Table- 2

Performance Evaluation of Bicycles

Attributes	Frequency			MeanStandard DeviationStandard Error
	Good	Average	Bad (%)	

Price	60	25	15 3.83	1.28	.10
Durability	62	26	12 3.87	1.17	.09
Brand Popularity	54	25	21 3.50	1.26	.10
Body Strength	55	24	21 3.48	1.16	.09
Tyre Size	44	28	28 3.19	1.30	.10
Height	45	29	26 3.26	1.27	.10
Riding Comfort	44	29	27 3.30	1.29	.10
Body Weight	50	21	29 3.31	1.43	.12
Carriage Facility	47	20	33 3.26	1.46	.12
Design	46	22	32 3.19	1.33	.11
Overall Look	50	19	31 3.27	1.38	.12
Model	41	21	38 3.03	1.47	.12

Factor Analysis

The overall attributes of the bicycles related to the expectation/performance of the consumers in respect to bicycles is divided into four dimensions, as the factor analysis indicated; Dimension 1= Physical Structure; includes, overall look, design, model and carriage capacity, Dimension 2=Quality; includes, brand popularity and price, Dimension 3= Toughness; includes body strength, durability and size, Dimension 4= Comfort; includes, body weight, riding comfort and height. (Table-3).

Table-3

Attributes of Product Quality Dimension

Attributes	Component

	Physical Structure	Quality	Toughness	Smoothness
Overall Look	.760	.176	-.043	-.011
Design	.755	-.121	.173	.148
Model	.719	.002	.213	.076
Carriage Capacity	.681	.090	-.138	.164
Brand Popularity	.051	.825	.219	.023
Price	.071	.764	-.035	.092
Body Strength	.130	.137	.817	.025
Durability	.015	-.017	.722	.072
Size	-.004	.395	.500	.186
Body Weight	.143	-.067	.043	.755
Riding Comfort	.132	.121	.044	.736
Height	.015	.371	.205	.507

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 5 iterations.

Relationship between the Product Quality (PRODQUAL) Dimensions In order to study the relationship amongst the product quality dimensions, the correlation is calculated and it is found that the smoothness is having positive and significant correlation at 0.01 level of significance, with other dimensions like; quality physical structure and toughness. Though the product quality has itself separate entity but still there is relationship amongst the dimensions (Table-4)

Table-4

Relationship of the Product Quality Dimensions

Dimensions	Physical Structure	Quality	Toughness	Smoothness
Physical Structure	1	.128	.157	.275**
Quality	.128	1	.321**	.254**
Toughness	.157	.321**	1	.271**
Smoothness	.275**	.254**	.271**	1

** Correlation is significant at the 0.01 level (2-tailed).

Brand Preference of Bicycles

The Hero bicycle is the most popular and preferred brand of the consumers in the Rural India, as around half (48%) of the respondents preferred Hero bicycle followed by Avon bicycle (24%), Hercules (17%) and Atlas by (11%). The paradigm shift can be observed in the brands of the bicycles as the users are coming from young age group so they do not

focus only on qualities like strength, toughness etc. they also consider look, design, style etc. the fashion is dominating consumer choice all over the world and the rural India is not free from this change. (Table-5).

Table- 5

Consumer Preference of Bicycles in Rural India

Hero (%)	Avon (%)	Hercules (%)	Atlas (%)
48	24	17	11

Conclusion

It is observed that the bicycle is one of the important transportation means in the rural India, the brands like Hero, Avon, Hercules and Atlas is available in the market and Hero is the most preferred brand, this is popular amongst young generation and lower income group. Though the road conditions in rural parts of the country is not so smooth but the respondents prefer stylish or fashionable bicycles as they are from young age group.

The manufacturers of the bicycle should focus on the expectations of the consumers before developing or launching a bicycle in the market, as the market is having global competitive wave and consumers are having plenty of options in the market, the consumer preference and expectations are to be confirmed by the dealers/manufacturers. There should be a feedback system to have watch on the future action of the consumers and make provision of retaining the consumers. There should also be a quality measurement system for improving the performance of the bicycles and for this quality measurement system the Product Quality Measurement (PRODQUAL) tool should be applied, then only the brands will survive/remain in the competition and win the globally competitivebicycle   market.

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