Why People are Obsessed with Products? – A Case Study of Royal Enfield Motorcycle

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Abstract. Product is the most important and valuable benefit a marketer could offer to the consumers. Consumers’ passion for the product and its performance as per their expectations leads to obsession. The present study aims to: a) capture consumers’ expectations and perceived performance regarding automobile product with specific reference to Royal Enfield Motorcycle; b) to see if there is any significant difference between consumer expectation and perception; c) to develop regression-based model- regressing perceived performance of the product attributes on satisfaction regarding overall performance of the product. The existing consumers of the product were surveyed in Chennai city, India as to what did they expect from the product while buying how do they rate its performance. Using area sampling technique, a total of 370 target male respondents were reached out and complete responses were received from 121 persons. Descriptive and inferential statistical tools were used to analyse the data. Paired sample t-test shows that there is no significant difference between consumer expectation and perception regarding most of the product attributes such as mileage, appearance, resale value, maintenance, brand image, service and the like. Regression results show that safety, appearance, fuel tank and brand image explain about 80 percent of variance with adjusted R2value of .799. Analysis of qualitative data collected through open ended questions in the questionnaire suggest that the consumers are not only happy but are obsessed with the product. It may be concluded that the company was able to set the right expectations among the target consumers and is living up to their expectations. An obsessed customer not only patrons the product but becomes a strong advocate and evangelist.

Keywords: Product attributes · Customer Perception · Customer Obsession

1 Introduction

Purchase decisions are significantly affected by various dimensions of consumer behavior. The purchase decision fundamentally is a process of finding solution to the problems and to facilitate meeting the needs and desires of consumers. The companies that are very keen to create powerful customer value propositions have the capability to comprehend what the customers value and clearly demonstrating how the firm’s product will...
Why People are Obsessed with Products?  

The key question that nags every marketer is what makes some products so successful and why the customers are so obsessed about those products? There is a customer science and obsession to this question which explains how an organisation can build customer obsessed products and why these products are successful [Ankush]. Product lead organisations are totally focused on building the best products possible. Consumers’ knowledge regarding a product has three dimensions: objective knowledge, subjective knowledge and experience-based knowledge. Objective knowledge is the physical information regarding the key product attributes, subjective knowledge is what the consumers feel they know about the product. The information stored and utilised by the consumer by using the products is the experience-based knowledge. It is the consumers’ common knowledge about the attributes of products and brand which fosters consumers’ familiarity with the product, expertise, as well as practical experience using the product (Lee & Lee, 2009) [11]. Every product is a set of components or attributes and customers’ decision-making is based on set of attributes of a product. It is extremely important for marketers to understand how consumers react to products they offer to the market. A marketer wants to know what attributes make a product saleable and what makes it lovable for the consumer.

2 Review of Literature

Many authors emphasised that the marketing mix concept is one of the most powerful framework to understand the consumer needs and expectations, and to design and deliver the offering in the market. Sharyn et al., (2015) [22] argued that the business that are really obsessed with their customer needs do balance their brand promise so deftly with their expression of customer obsession that they can extend beyond their core products or services to drive intelligent growth. Meyers-Levy, (1989) [14] purported that brand names are the most valuable assets which influence the product inferences to buying product intentions. Mohamad, et al. (2007) [15] maintained that innovativeness, design, prestige, and workmanship are key attributes influencing consumers’ choice of products. Earlier research has provided vast knowledge on the design factors that make products appealing (Blijlevens et al. 2011) [4]. However, it has failed to gauge the impact of other key product attributes in consumer expectation or perception. The buyers do consider product attributes while buying a product. One of the most important product attributes is safety. It promises protection of the user against physical, emotional, psychological, spiritual, financial, social, political, educational, occupational, or other types or consequences of failure, error, accidents, harm, damage, or any other undesirable event (Valensia, 2013) [28]. Marketers endeavour to cater to various segments of consumers by identifying their preferences in terms of product and brand attributes. Understanding consumer preferences regarding product attributes help the marketers to determine the ideal target segments, explore the opportunities for new product development or to initiate product modifications (Gwin, & Gwin, 2003) [6].

Hlédik (2013) [7] purported that Market witnessed plethora of new products with striking product attributes, providing a wide variety and choice to consumers. The product proliferation made the consumers’ choice more difficult (Vytautas, and Lina, 2007) [30]. Product standardisation resulted in mass production consequently made the products more accessible to consumers. Marketers began focusing on differentiation strategy
through product improvement and innovation. Brands can provide product identity and differentiation towards competing products. Consumers will easily recognize a product through the product brand (Rizni et al., 2019) [20]. Organizations are expected to produce products and services that build satisfied and loyal customer-base. Most of the earlier studies of consumer behaviour have been based on the overall satisfaction regarding the product as a whole (Anderson, & Sullivan, (1993) [1], while only a few studies had established cause and effect relationship between performance of product attributes and consumer satisfaction.

Customer satisfaction is a relative term, and it is always relative to the reference point of the product’s performance expectations (Oliver, 2014) [16]. In the expectancy–disconfirmation model, the main antecedents of consumer satisfaction are product expectations, perceived performance, and the resultant disconfirmation (Oliver, 1980) [16]. Perceived performance is a consumer’s perception of a product’s performance, and their opinion about the product’s fulfilment of their needs, wants, and desires (McKinney, Yoon, & Zahedi, 2002) [13]. Antonides, and Hovestadt, (2021) [3], examined the major product attributes consumers would look for while buying mobile phone and found that 15 phone attributes such as the camera of the phone, water resistance and other functionalities, ease of text messaging, phone calling, navigating phone menus and settings, using phone operating system and software, video and audio quality, battery quality, storage capacity, service and easiness of repair, warranty, durability, design/appearance, including its size, weight, screen size formed major criteria along with other elements of marketing mix.

Kotler and Keller studied product attributes including product design, quality, packaging design, and features to build a research model. The results showed that product attributes including product information, quality, and prices had positive effects on purchase intention. Marc and Mark (2009) [12] defined brand equity as the enhancement in the perceived utility and desirability a brand name confers on a product. Higher brand equity brings competitive advantage and allows companies to charge a price premium, increase in revenues and margins, and provides the company with better overall marketing leverage. Although brands are considered to be among the most important intangible assets of many firms (Keller and Lehmann, 2006) [10], past research that modeled consumer choice processes treated brands as product attributes similar to price, size and color. Effects among product attributes, involvement, word-of-mouth, and purchase intention in online shopping.

3 The Customer and His Affair with Royal Enfield

The Royal Enfield is the oldest global motorcycle brand, having its headquarters at Chennai in India. Indian government adopted the product to deploy it for police and army to use for border security. In 1955, the Redditch Company collaborated with Madras Motors to assemble 350 cc Bullet motorcycles under license. The Enfield Bullet ruled the Indian highways, and its popularity grew with each passing year. The customers are the real brand ambassadors of Royal Enfield, said RL Ravichandran, Executive Director, Eicher Motors, while delivering his valedictory address: ‘Royalty Galore: Sustaining a cult brand like Royal Enfield’ at the Pitch CMO Summit, Chennai, 2012. Though owned by Britishers earlier RE became an Indian company when Eicher Motors took it over...
in 1994. For the owners of Royal Enfield, it is not just a means of transportation but a lifelong romance.

Sameer Sheikh (2016) outlined reasons why the Indians are madly in love with Royal Enfield. Being one of the earliest motorcycles in India, kids grew up waiting to ride one while the grown-ups always needed one to go for long tours. Riding an Enfield itself doubles up the respect and no other Indian bike returns with ear pleasing “Dug Dug” sound that makes it a pride symbol amongst the youth. Every rider of a Royal Enfield motorcycle has a marvellous story to tell. It is a real head turner, can make the rider feel the thrill and excitement the accelerator is raised. It brings a matchless experience that one can celebrate for life and makes every rider to feel proud—be it a guy riding the vehicle on street, highway, or the one embarked on an adventure tour or the one riding the bike to the Leh. It is the individual’s RE riding spirit that helps him to ride through any terrain. There is a strong perception that the girls just love the guys who ride the Royal Enfield motorcycles. Royal Enfield is amongst the most customisable motorcycles in India.

The so-called heartthrob of the youth seemed to have lost ground when the other bike makers offered slick and stylish bikes in the market. Falling sales and image crisis impacted the company adversely. Prominent media covering business reported that since Mr. Siddhartha Lal, took over as CEO of RE, the new strategy started turning around the things for the company. All that included abandoning 13 out of 15 business to be good in core areas rather than being everywhere and just be a mediocre. Innovative marketing strategies like sponsoring mountain biking, organising annual events and rides such as the Himalayan Odyssey, The Tour of Rann of Kutch, The Tour of NH 17 (Mumbai to Goa), the Tour of Rajasthan and the Southern Odyssey and the like helped the company to overcome all the obstacles and become one a major player in Indian automobile industry. Focusing on improving the quality of the vehicle resulted in addressing frequent complaints about engine seizures, snapping of the accelerator or clutch cables, electrical failures and oil leakages. The new engine had 30 percent fewer parts and produced 30 per cent more power than the old, with better fuel efficiency. The rest is history. Sales of Royal Enfield shot up from 25,000 in 2005 to 469,741 in 2012 to 846,000 in 2018 in India, and the company reported 82 percent growth in Europe in 2019. Steven Chen, Yuna Kim, Chiranjeev Kohli (2016) pointed that Royal Enfield motorcycles are quite costly. While the economy grows, so does the purchasing power of young people. People who would have settled for a less expensive bike in the past due to financial constraints are now going out and getting what they want. The brand regularly organises events such as Rider-mania, Himalayan Odyssey, REUnion, international events such as the Tour of Tibet. This generates a significant social media presence and keeps customers engaged. No other brand in India interacts with its customers as well as Royal Enfield does.

Some of the popular quotes on Royal Enfield in the social media stands as a true testimony of the customers’ obsession with the product:

- “Made like a gun, goes like a bullet”.
- “I was born in a middle-class family but my Enfield made me royal”.
- “Work Hard with Silence Let Your “Bullet” Make all the Noise.”.
- “There are two types of people in this world one who rides bullet another one who wishes he could ride bullet.”
“It’s Not Just an Engine, It’s Heart of Rider”.
“Love Is When You Like Someone As Much As Your Bike”.
“It’s Valentine’s Day In Few Days, I’m wondering What to shop for My Bullet This Year”.
“Only those can understand the price of a bullet, those who don’t understand the price of Petrol”.
“When the thump becomes your heartbeat, only then you know what it is like to ride a Bullet!”.

In the primary data collected, the respondents have in fact quoted one or the other from the above quotes, strongly resonating not just usage or liking the product rather deep indulgence with the product.

4 Methodology

The present study aims to a) capture consumers’ expectations and perceived performance regarding automobile products with specific reference to Royal Enfield Motorcycle; b) see if there is any significant difference between consumer expectation and perception; and c) to develop regression-based model-regressing product attributes on satisfaction regarding the product. The existing consumers of the product were surveyed in Chennai city, India using a structured questionnaire. The instrument contained questions regarding customers’ expectations and perception specifically regarding product attributes. The existing consumers of the product were surveyed in Chennai city, India as to what did they expect from the product while buying how do they rate its performance. Using area sampling technique, a total of 370 target male respondents were reached out at a leading academic institution in Chennai city with UG and PG student population of over 6000 with diverse demographic and socio-economic background. Out of 70 percent of male students, 30 percent drive to the institution and over 30 percent of them are currently using the product. Complete responses were received from 121 persons. Area sampling involves sampling from a map, an aerial photograph, or a similar area frame, often used when a sampling frame is not available (Stefannie Glen 2023) [25]. Descriptive and inferential statistical tools were used to analyse the data. Product attributes such as mileage, appearance, resale value, maintenance, brand image, service and the like were used as items to collect primary data. Secondary data were collected from published sources available in research journals, professional magazines, company website, expert blogs and the like.

5 Conceptual Model

Based on the literature review, we conceptualised that the select attributes under the study significantly explain the consumers’ satisfaction regarding overall performance of the product. The same has been depicted in Fig. 1.
5.1 Hypotheses

The present study hypothesizes that:

H1 - There exists significant difference between customer expectations and perceptions regarding select attributes of the product.
H2 - Satisfaction regarding product attributes significantly leads to satisfaction regarding overall performance of the product.

6 Data Analysis and Interpretation

The data were analysed using descriptive (mean, percentage and SD) and inferential statistics (Paired sample T test, Anova and Regression).

6.1 Descriptive Statistics

Over 95 percent of the respondents participated in the survey were aged under 30 years; purposive sampling was done by administering the questionnaire only to men, half of them are currently pursuing UG and the rest are in to Post graduation or above. Most of the respondents having annual income of Rs 6 lacs. A significant majority of respondents strongly agreed that they want to look stylish (71%, 4.45 mean score out of 5), would spend money to look stylish (61%; 4.15 mean score) and interestingly also mentioned that they seek value for money (81%; 4.68 mean score). Over half of the respondents (57%) have been using the Motorcycle for more than last 3 years, nearly one third have bought in the last one year.

Based on the review of literature, the most important product attributes were identified to capture the consumers’ expectations and perceptions regarding the select product
under the study. The expectations regarding all the variables (product attributes) under the study were on the high side the mean score of over 4 out of 5, and surprisingly the perceived performance of the product with respect to almost all the attributes is on the high side too with 4+ mean score. Safety was accorded highest priority (4.53 mean score) followed by built quality and overall performance (4.46 mean score each). Safety and brand image (4.4 mean score each), followed by appearance (4.37) and overall performance (4.36) were found to most satisfactory.

6.2 Paired Sample T Test

A paired t-test is done when the researcher is interested to know the difference between two variables from the same subject. We used the tool to do gap analysis between consumers’ expectations vis a vis perception regarding the select product and various items under the product mix. Gap analysis is a method of assessing the differences between the actual performance and expected performance in an organization or a business. Understanding the gaps in the specific areas provides much needed insight for the organizations and facilitate corrective action. The results show that shows whether the scores of perceptions regarding the product mix are significantly different from that of expectation. Out of 13 items (pairs) used for the analysis, the difference is statistically significant only for 2 items such as spare parts availability (p = .014) and maintenance (p = .001) which may imply that the gap (negative) exists only with respect two items. It could happen for two reasons- the company would have set right expectations among the target consumers, and the company constantly is living up to the expectations of its target consumers.

6.3 Regression

Regression analysis has been done (Table 1) to see the strength of association between the dependent variable (satisfaction regarding overall performance of the product) and the predictors using step-wise linear regression model. Stepwise regression is a method that iteratively examines the statistical significance of each independent variable in a linear regression model. The forward selection approach starts with nothing and adds each new variable incrementally, testing for statistical significance. The output of the regression analysis shows that safety, appearance, tank and brand image significantly contribute to the satisfaction regarding overall performance of the product. The adjusted R² value of .798 in model 4 implies that 79.8 percent of satisfaction towards product mix is being explained by the four factors such as safety, appearance, tank (fuel tank) and the brand image. ANOVA and Regression coefficients in Table 2B and 2C show high level of statistical significance for the factors derived from the study. The Collinearity statistics tolerance score is expected to be under .2 to ensure that each item is distinct and no Collinearity exists among the variables studied. In the current study, the model 1 shows safety is the most significant contributor (adjusted R² = .695) to the satisfaction regarding overall performance of the product, while Collinearity Statistics Tolerance for residual items is minimum .205. The regression analysis in the study meets the standard criteria and can serve as a statistically significant model.
Table 1. Coefficients

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<th>Standardized Coefficients</th>
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*aDependent Variable: performance

7 Discussion and Conclusion

Regression Results show that safety, appearance, fuel tank and brand image explain about 80 percent of variance with adjusted R² value of .800. Analysis of qualitative data collected through open ended questions in the questionnaire suggest that the consumers are not only happy but are obsessed with the product. Alternative Hypothesis H11 is rejected as most of the product attributes under study do not show significant difference between consumer expectations and perceptions. H12 is accepted as per the output of regression analysis, which shows significant association between the dependent variable (perceived overall performance of the product) and the predictors. It may be concluded that the company has been able to set the right expectations among the target consumers and is living up to their expectations. An obsessed customer not only patrons the product but becomes a strong advocate and evangelist. Sustaining the sense of pride among the happy customers and making them to continue with obsession is not going to be a simple task for the organization. A marketer can ever afford to take the consumer for granted only to his (her) peril in dynamic market environment. The present study is confined to the attributes of a high involvement product with limited sample in a specific geographical territory. Replicating the studies regarding other elements of marketing mix in a larger territory gives deeper insights to the marketers.
References


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