

A Study On Market Potential For Start Up On Bike Rentals In Tourist Places And Cities Of Andhra Pradesh

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ABSTRACT:

Since the 20th century, tourism and recreation has increasingly gained their importance with regard to their contribution in the hierarchical order for national development. After globalization, Tourism has developed as one of the major sources of income for many cities and townships in India. The relationship between transportation development and tourism and is inseparable and will have influence on local economy, nation-wide and also international competitiveness. The present research investigates bike rental market potential in tourist places of Andhra Pradesh. As government is also encouraging new entrepreneurs and extending helping hand to them so bike rental business idea may have potential and would give positive results in the state of Andhra Pradesh.

Keywords: Start up, bike rentals, Market potential, tourist places

1. INTRODUCTION

When the world entered 20th century, economies faced transportation revolution. New technology enabled introduction of a faster and more comfortable transportation. It changed traveling modes, human behaviour and demand including work, living, leisure, and land use. The present research investigates bike rental market potential in tourist places of Andhra Pradesh.

2. REVIEW OF LITERATURE

Very few studies were conducted in this area in India and abroad, following are the studies conducted in this area.

The bike rental manual was developed by the Bratislava Self-Governing Region in cooperation with external specialists from the Institute of Spatial Planning. The manual was compiled during June and July 2017. The purpose of the task was to map the development potential of tourism services using sustainable and environmentally friendly transport. The main purpose of the document is to provide guidance (1) to bodies interested in the development of bike sharing services from its planning, implementation to operation in cities and municipalities along the whole Danube River (2) as well as to stakeholders, which in cooperation with partners providing public transport services, want to support the development of cycling infrastructure to provide increased comfort of the cycling tourism and transport.

Student Sustainability Committee of University of Illinois at Urbana (2012) conducted study on Bike Sharing Feasibility Study at the University. As a result of the study it was concluded that University would not only benefit by implementing a bike sharing program, both environmentally and economically, but also it would make a positive

impact on those traversing in the campus. Three-tiered system was recommended for effective implementation of Bike Sharing mechanism ie bikes available for employees, bikes available for short-term rentals and bike solutions for students and the public.

Jamie wine(2012) conducted bike easy project to identify feasibility of Bicycle share feasibility study at New Orleans. During 2012 over 100 cities in Europe and 21 cities in US have implemented bicycle systems. With the success of bicycle sharing system in those cities, Researcher focused on the implementation of the same in New Orleans. Study focused on logistics related aspects like fleet size, Kiosk location and measures to reduce theft. It is concluded that Bicycle share can be effectively implemented in New Orleans and it will have positive impact on environment, quality of life and economic vitality.

Victor Anand Kumar S(2007), “E-marketing motivators, inhibitors and critical success factors: A study of small and medium tourism enterprises and tourists in Mauritius and Andaman Islands, India” conducted study on Small and Medium Tourism Enterprises in two Island destinations, namely Mauritius and Andaman Islands, India. Researcher studied 200 tourists in four dimensions ie. ‘accommodation’ (hotels, villas and bungalows), ‘access’ (tour operators, travel companies and car/bike rentals), ‘attractions’ (places of interest and leisure/adventure activities like SCUBA diving and game fishing) and ‘auxiliary’ products (wedding video/photography services, souvenirs and specialty restaurants). Several aspects related to tourism websites were studied such as the real-time monitoring of the visitor’s click stream and corresponding individualization, comparing the SMTE websites with those of the big enterprises and also between the principals and the intermediaries.

3. OBJECTIVES OF THE STUDY

The present study is carried out with the following objectives.

1. To identify the factors influencing decisions pattern of sample regarding bike rentals.
2. To bring out the demographic characteristics of the sample population who preferred bike rentals
3. To study the market potential for bike rentals in tourist places.
4. To identify appropriate strategies for implementation and asset protection.

Significance of the Study

Bike tourism can be characterized as a positive action, which incorporates both transportation and recreation experiences. Tourism and recreational cyclists are people who utilize a bike for excursion pleasure, and generally take moderately short outings. In India youth have an enthusiasm for travel. Cities like Bangalore there are couple of new businesses which are profiting on bike rentals. On the off chance that business sectors begin such kind of start-ups close hill stations in Andhra Pradesh as a source of enormous cash making opportunity. This study will recognize the potential for this business unit.

Limitations of the Study

- 1 The project duration was very short and in this very short span of time cannot get genuine feedback.
- 2.It was a sample survey of same 428 respondents, which is very small and cannot provide authentic data.
- 3.Inability of some of the respondents to respond to the questionnaire due to lack of time.

4. Consumer's responses are subject to personal bias

4. RESEARCH METHODOLOGY

Structures questionnaire is used for the study comprising of 24 questions covering the preferences of target audience towards bike rentals. Convenience sampling is used for the study and the sample size is 428 respondents belonging to different age groups and occupations.

Secondary data was collected form automobile companies website about the 2 wheeler manufactures in India. It is also collected from previous studies conducted in this area.

The study on market potential regarding bike rentals in tourist places is done with the help of population residing in Vijayawada, Guntur and Tenali.

HYPOTHESIS:

H₀ There is no market potential for bike rentals in A.P (tourist places and cities of A.P)

H₁ There is market potential for bike rentals in A.P (tourist places and cities of A.P)

5. RESULTS & DISCUSSION

Following are the details of demographic characteristics of respondents.

Table 1

AGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-27	157	36.7	36.7	36.7
	28-37	101	23.6	23.6	60.3
	38-47	102	23.8	23.8	84.1
	48 and above	68	15.9	15.9	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected from 428 respondents out of 157 respondents belongs to the age group of 18-27, 101 respondents belong to the age group of 18-37, 102 respondents belongs to the age group of 38-47 and 68 respondents belongs to the age group of 48 & above.

Table 2

Previous experience of visiting Tourist places					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	421	98.4	98.4	98.4
	No	7	1.6	1.6	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected on travelling plans of respondents they were asked whether they have even visited tourist places in AP. out of 428 respondents 421 expressed that they have visited tourist places in AP. So majority are likely to become target market for Bike Rentals.

Table 3

Frequency of Visiting Tourist Places					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	63	14.7	14.7	14.7
	2	141	32.9	32.9	47.7
	3	145	33.9	33.9	81.5
	more than 3	79	18.5	18.5	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected on visiting tourist places taking a period of one year as base respondents are requested to express their opinion. Out of 428 respondents 63 respondents visited 1 time and 141 respondents visited 2 times and 145 respondents visited 3 times and 79 respondents visited more than 3 times.

Table 4

Mode of transportation Preferred					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bus	87	20.3	20.3	20.3
	Train	154	36.0	36.0	56.3
	Bike	62	14.5	14.5	70.8
	Car	125	29.2	29.2	100.0
	Total	428	100.0	100.0	

Interpretation : the sample population has collected Data to identify the preferred mode of transportation. Out of 428, 87 respondents are preferred bus, 154 respondents are preferred train, 62 respondents are preferred bike, 125 respondents are preferred car.

Table 5

Visiting Tourist Places on Bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	178	41.6	41.6	41.6
	no	250	58.4	58.4	100.0
	Total	428	100.0	100.0	

Interpretation:

Data has been collected to identify the visit to tourist place on bike. Out of 428 respondents 178 respondents visited tourist place on bike and 250 respondents visited tourist places through other mode of transportation..

Table 6

Plan to visit tourist places on Bile					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	397	92.8	92.8	92.8
	no	31	7.2	7.2	100.0

Total	428	100.0	100.0
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Interpretation: Data has been collected to identify the interest towards plan of going for a long drives. Out of 428 respondents 397 respondents are expressed that they have a plan to go for a long drive and 31 respondents expressed that they don't have a plan.

Table 7

Interested_in taking_a_bike_on rent in tourist places					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	203	47.4	47.4	47.4
	NO	23	5.4	5.4	52.8
	MAY BE	202	47.2	47.2	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected on interest in renting a bike, out of 428 respondents 203 respondents expressed interest towards the bike rentals and 202 expressed their views neutral and 23 respondents showed no interest towards the bike rentals

Table 8

Reasons for renting Bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I could afford to get a nicer bike if I choose to rent	118	27.6	27.6	27.6
	I could go to work with it instead of taking public transport	132	30.8	30.8	58.4
	I do not have any reason to rent a bike	122	28.5	28.5	86.9
	It is cheaper than buying a new bike	56	13.1	13.1	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected on reasons for renting a bike in future out of 428 respondents 132 respondents expressed their view as they could go to work with it instead of taking a public transport and 118 respondents expressed their view as they could afford to get a nicer bike if they choose to rent.

Table 9

Reasons for not ready to rent a Bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I do not have any reason to NOT rent a bike	150	35.0	35.0	35.0
	I do not know whether they would have the bike	176	41.1	41.1	76.2

	I want in stock to rent I would be too worried if I cause any damage to the bike (deposit, repair costs)	101	23.6	23.6	99.8
	I would be too worried if I cause any damage to the bike (deposit, repair costs)	1	.2	.2	100.0
	Total	428	100.0	100.0	.

Interpretation Data has been collected on reasons for not renting a bike in future out of 428 respondents 176 respondents expressed their view as they do not know whether they would have a bike that they want in stop to rent, 150 respondents expressed their view as they do not have any reason not to rent a bike.

Table 10

Importance of Price in renting a Bike		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	209	48.8	48.8	48.8
	important	135	31.5	31.5	80.4
	neither important or nor unimportant	54	12.6	12.6	93.0
	of little importance	24	5.6	5.6	98.6
	unimportant	6	1.4	1.4	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the price factor during renting a bike out of 428 respondents 209 respondents expressed their view as very important, 135 respondents expressed their view as important and 54 expressed their view as neither important or nor unimportant, 24 expressed their view as little importance and 6 expressed their view as unimportant.

Table 11

Importance of Present condition of Bike		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	176	41.1	41.1	41.1
	Important	157	36.7	36.7	77.8
	Neither important nor unimportant	64	15.0	15.0	92.8

	Of little importance	24	5.6	5.6	98.4
	Unimportant	7	1.6	1.6	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the condition factor during renting a bike out of 428 respondents 176 respondents expressed their view as very important, 157 respondents expressed their view as important and 64 expressed their view as neither important or nor unimportant, 24 expressed their view as little importance and 7 expressed their view as unimportant.

Table 12

Role of Number of Previous Users in renting bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	76	17.8	17.8	17.8
	Important	184	43.0	43.0	60.7
	Neither important nor unimportant	122	28.5	28.5	89.3
	Of little importance	33	7.7	7.7	97.0
	Unimportant	13	3.0	3.0	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the previous users during renting a bike out of 428 respondents 76 respondents expressed their view as very important, 184 respondents expressed their view as important and 122 expressed their view as neither important or nor unimportant, 33 expressed their view as little importance and 13 expressed their view as unimportant.

Table 13

Importance of Brand in renting bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	161	37.6	37.6	37.6
	Important	152	35.5	35.5	73.1
	Neither important nor unimportant	81	18.9	18.9	92.1
	Of little importance	26	6.1	6.1	98.1
	Unimportant	8	1.9	1.9	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the brand factor during renting a bike out of 428 respondents 161 respondents expressed their view as very important, 152 respondents expressed their view as important and 81 expressed their view as neither important or nor unimportant, 26 expressed their view as little importance and 8 expressed

their view as unimportant.

Table 14

Importance given to Colour of bike while renting it					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	83	19.4	19.4	19.4
	Important	169	39.5	39.5	58.9
	Neither important nor unimportant	124	29.0	29.0	87.9
	Of little importance	40	9.3	9.3	97.2
	Unimportant	12	2.8	2.8	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the colour factor during renting a bike out of 428 respondents 83 respondents expressed their view as very important, 169 respondents expressed their view as important and 124 expressed their view as neither important or nor unimportant, 40 expressed their view as little importance and 12 expressed their view as unimportant.

Table 15

Importance given to Mileage of rented Bike					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Important	112	26.2	26.2	26.2
	Important	172	40.2	40.2	66.4
	Neither Important Nor Unimportant	99	23.1	23.1	89.5
	Off Little Importance	33	7.7	7.7	97.2
	Unimportant	12	2.8	2.8	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the mileage factor during renting a bike out of 428 respondents 112 respondents expressed their view as very important, 172 respondents expressed their view as important and 99 expressed their view as neither important or nor unimportant, 33 expressed their view as little importance and 12 expressed their view as unimportant.

Table 16

Deposit while taking bike on rent per day					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	.5	.5	.5
	1000	103	24.1	24.1	24.5
	1000-1500	131	30.6	30.6	55.1
	1500-2000	114	26.6	26.6	81.8
	2000-3000	78	18.2	18.2	100.0

	Total	428	100.0	100.0	
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Interpretation: Data has been collected to analyse the amount that they wish to deposit during rent out of 428 responded 131 respondents expressed they would like to deposit between 1000-1500, 114 respondents expressed they would like to deposit between 1500-2000, 78 respondents expressed they would like to deposit between 2000-3000.

Table 17

Nature of Bike preferred for renting					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fuel economy bikes	138	32.2	32.2	32.2
	High end sports bikes	124	29.0	29.0	61.2
	Normal bikes	3	.7	.7	61.9
	Scooty	163	38.1	38.1	100.0
	Total	428	100.0	100.0	

Interpretation: Data has been collected to identify the type of bike they prefer mostly to rent out of 428 respondents 163 respondents expressed their interest towards Scotties (multipurpose bikes), 138 respondents expressed their interest towards the fuel economy bikes, 128 respondents expressed their interest towards high end sports bikes.

Testing of Hypothesis

AGE * interested in renting bike Cross tabulation

	interested_in_renting_a_bike			Total
	YES	NO	MAY BE	
18-27	79	11	67	157
28-37 AGE	52	0	49	101
38-47	49	5	48	102
48 and above	23	7	38	68
Total	203	23	202	428

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.405 ^a	6	.025
Likelihood Ratio	19.355	6	.004
Linear-by-Linear Association	3.469	1	.063
N of Valid Cases	428		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 3.65.

Interpretation : Results of chi square test reveals that there is a strong association between age and interested in renting a bike with a P – value of 0.025

Age and Frequency of Visiting Tourist Places

AGE	Frequency of visiting Tourist places				Total
	1	2	3	More then 3	
18-27	36	45	49	27	151
28-37	12	40	34	15	101
38-47	6	41	41	14	102
48 and above	9	15	21	23	68
Total	63	141	145	79	428

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.060	9	.001
Likelihood Ratio			
Linear-by-Linear Association	31.219	9	.000
N of Valid Cases	9.426	1	.002
	428		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.01.

Interpretation : Results of chi square test reveals that there is a strong association between age and frequency of visiting tourist places with a P – value of 0.001

Impact of Gender on frequency of Visiting Tourist Places

GENDER * often_you_visit_tourist_places_in_a_year Cross tabulation						
Count						
GENDER		often_you_visit_tourist_places_in_a_year				Total
		1	2	3	more than 3	
Female		32	58	64	31	185
	Male	31	83	81	48	243
Total		63	141	145	79	428

Chi-Square Tests			
	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	2.282 ^a	3	.516
Likelihood Ratio	2.273	3	.518
N of Valid Cases	428		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 27.23.

INTERPRETATION: Results of chi square test reveals that there is a strong association between gender and frequency of visiting tourist places with a P – value of 0.516 it significant at 10%.

6. SUGGESTIONS

1. Youth are showing interest towards the bike rentals. So they are the target group for bike rentals.

2. GPS should be installed in every bike for asset protection
3. Bike should be rented after taking the original identity proof of the customer
4. Tracking unit should be installed in office for 24/7 trace.
5. High-end bikes should be rented for attracting youth.
6. As majority are ready to deposit more than Rs.2000/ during renting the bike the deposit amount should be near to this .
7. Promotional activities should be done for the identification of the bike rental in the minds of the customer
8. As the competitors are very less in A.P right now, so there is a high chance of occupying high market share.

7. CONCLUSION

According to the research only 5.4% of the people out of 428 samples are not opting bike rental. Remaining people are very interested towards renting a bike in tourist places and in cities of A.P. youth are very interested towards the top end bikes for renting. The reasons are they may not afford to buy a high end bike. Some people are very interested towards long drives. These bike rental concepts help them to have a comfortable bikes for long rides which they are not having with them. As we are in the developing stage women also took a forward step and showing their interest towards bike rentals. So people who are looking towards the start-ups, as government is also encouraging new entrepreneurs and extending helping hand to them so this business idea has potential and would give positive results in the state of Andhra Pradesh.

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