



A study on brand loyalty in Maruthi Suzuki with special reference to Coimbatore city

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Abstract

Indian automobile industry is in the thriving stage. After loosening the restrictions on economic and political system, foreign car manufacturers emerged into the Indian market and that resulted to a tough competition to the Indian automobile industry. Even though Maruti Suzuki still exists as giant in Indian automobile industry, the Korean, Japanese, American and Europeans is also leading fast to the top position in the industry. This study is an attempt to know how much the customer is loyal to the Maruti Suzuki brand. Today, there is a stiff competition in the automobile industry. Now-a-days Maruti Suzuki in India has faced a problem of identifying the extent of loyalty of their customers. The main aim of the study is to analyze how much the consumer is loyal to Maruti Suzuki and what the Maruti Suzuki is doing to improve the brand loyalty and does the company have won in retaining the customer.

Keywords: Indian automobile industry, customer, brand loyalty, performance

1. Introduction

Indian automobile industry is in the thriving stage. After loosening the restrictions on economic and political system, foreign car manufacturers emerged into the Indian market and that resulted to a tough competition to the Indian automobile industry. Eventhough Maruti Suzuki still exists as giant in Indian automobile industry, the Korean, Japanese, American and Europeans is also leading fast to the top position in the industry. Maruti Suzuki, Indian automobile manufacturer is known to the quality and innovation. Maruti has launched many cars in the Indian market under various segments like Suv, Muv etc. And all these are capable to face competition in their similar segment. This study is an attempt to know how much the customer is loyal to the Maruti Suzuki brand. Today, there is a stiff competition in the automobile industry. Now-a-days Maruti Suzuki in India has faced a problem of identifying the extent of loyalty of their customers. The main aim of the study is to analyze how much the consumer is loyal to Maruti Suzuki and what the Maruti Suzuki is doing to improve the brand loyalty and does the company have won in retaining the customer.

Brand Loyalty is a scenario where the consumer fears purchasing and consuming product from another brand which he does not trust. It is measured through methods like word of mouth publicity, repetitive buying, price sensitivity, commitment, brand trust, customer satisfaction, etc. Brand loyalty is the extent to which a consumer constantly buys the same brand within a product category. The consumers remain loyal to a specific brand as long as it is available. They do not buy from other suppliers within the product category. Brand loyalty exists when the consumer feels that the brand consists of right product characteristics and quality at right price. Even if the other brands are available at cheaper price or superior

quality, the brand loyal consumer will stick to his brand.

1.1 Definition of Brand Loyalty

Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment. It can also be demonstrated with other behaviors such as positive word of mouth advocacy. Brand loyalty is where an individual buys products from the same manufacturer repeatedly rather than from other suppliers. Businesses whose value rests in a large part on their brand loyalty are said to use the loyalty business model.

1.2 Purpose of Brand Loyalty

Brand loyalty is a good measure for managers to use when trying to predict brand performance outcomes. It also highlights the importance of marketing communication when trying to promote a certain product that's not doing as well as other succeeding products. Marketers are able to look at the patterns of brand loyalty and pick out characteristics that make that product thrive.

1.3 Benefits of Brand Loyalty

Brand loyalty has shown to profit firms by saving them a lot of money. Benefits associated with loyal consumers include:

- Acceptance of product extensions.
- Defense from competitors cutting of prices.
- Creating barriers to entry for firms looking to enter the market.
- Customers willing to pay high prices.
- Existing customers cost much less to serve.
- Potential new customers.

1.4 Loyalty

A second dimension, is whether the customer is committed to the brand. Philip Kotler, again, defines four patterns of behavior:

- **Hard-core Loyals** - who buy the brand all the time?
- **Split Loyals** - loyal to two or three brands.
- **Shifting Loyals** - moving from one brand to another.
- **Bandwagons** - with no loyalty (possibly 'deal prone', constantly looking for bargains or 'vanity prone', looking for something different). Again, research shows that customer commitment is a more nuanced a fine-grained construct than what was previously thought. Specifically, customer commitment has five dimensions, and some commitment dimensions (forced commitment may even negatively impact customer loyalty).

1.5 Statement of Problem

In the current competitive world, automobile sector plays a vital role in the development of a country. Nowadays more number of imported car models are moving inside the country and it leads to a decreasing trend of sales to Indian automobile manufacturing sectors nowadays. While considering the Indian passenger car segment, Maruti Suzuki holds the largest chunk of the market share and one of the oldest automobile company of the country servicing to the needs of all classes. In order to bring improvements in sales ratio of Maruti Suzuki and creating brand value to project their products and to sustain in the market it is very essential to know the determinants and measurement of brand equity and its implication on value of the Maruti Suzuki. The present study was carried to identify the relationship between demographic factors and brand loyalty towards Maruti Suzuki.

1.6 Objectives of the Study

1. To study on brand loyalty of Maruti Suzuki with special reference to Coimbatore city.
2. To Study on Brand Loyalty of Maruti Suzuki towards Product Quality, Price and Perceived quality
3. To Study on Brand Loyalty of Maruti Suzuki towards Showroom Environment and availability of models.
4. To identify models of Maruti Suzuki cars based on the quality and features.
5. To identify the level of satisfaction with the Maruti Suzuki features.
6. To give feasible solutions based on the findings analyzed.

1.7 Need of the Study

The main need of the study is to analyze the effectiveness of brand loyalty towards Maruti Suzuki with various factors including product quality, price, perceived quality, showroom environment, design and availability of models. And also to study the impact of brand loyalty on customer retention in automobile sector and further explore the quality and features including the level of satisfaction in Maruti Suzuki.

1.8 Scope of the Study

The scope of the study is to identify and study the various factors that influence brand loyalty at Maruti Suzuki. The research will be helpful in understanding the current position of the Maruti Suzuki in customers' point of view according to

the brand loyalty. It is helpful to enhance the number of new customers. It provide a platform in the competitive marketplace. It increases the brand loyalty and equity for the Maruti Suzuki.

1.9 Limitations of the Study

1. The results may not represent the whole population, as convenient sampling and a relatively small sample size of 250 were used.
2. The data were collected only from Coimbatore city.
3. Due to time constraint the study was conducted only for the period of 6 months.
4. Limited technical tools has been used to interpret the data collected.
5. Accuracy of data is subjected to the respondent's statements and views.

1.10 Hypothesis of the Study

A hypothesis is a statement capable of being tested and thereby verified or rejected

- H1:** There is no significant association between demographic variables and overall satisfaction on product quality
- H2:** There is no significant association between demographic variables and overall satisfaction on price
- H3:** There is no significant association between demographic variables and overall satisfaction on Perceived quality
- H4:** There is no significant association between demographic variables and overall satisfaction on showroom environment
- H5:** There is no significant association between demographic variables and overall satisfaction on designs and models

1.11 Research Methodology

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The scope of research methodology is wider than that of research methods. It includes Title, significance of the study, statement of the problem, aims and objectives, research hypothesis, research design, tools for data collection, statistical testing, definitions, limitation of the study, chapterisation of the study.

Area of Study

The study conducted at Coimbatore city.

Period of the Study

The study period covered the period of six months (June-November 2017)

Population of the Study

The targeted population is 250 respondents, are mainly from Maruti Suzuki customers from Coimbatore city.

Research design

"A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure". The researcher used Descriptive research design, because it helps to describe a particular situation prevailing within a company. Descriptive study was necessary to ensure

the complete interpretation of the situation and to ensure minimum bias in the collection of data.

Type of Sampling

Convenient sampling has been followed. Convenience sampling (also known as grab sampling, accidental sampling, or opportunity sampling) is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand.

Sample Size

For a research study to be perfect the sample size selected should be optimal i.e. it should neither be excessively large nor too small. Hence the sample size selected for the study was 250 customers of Maruti Suzuki from Coimbatore city.

Pilot Study

The purpose behind the pilot study was to find out the feasibility and suitability of the study and to formulate the problem more specifically. The researcher tested the questionnaire with 20 respondents and checked the suitability and aptness of the questionnaire. The necessary changes were made, questionnaire is enclosed in the appendix.

Data Collection Method

Both the Primary and Secondary data were used in the project. In this research the primary data was collected by means of a Structured Questionnaire. Data which has already gone through the process of analysis or were used by someone else earlier is referred to secondary data. Secondary data was collected from the books, journals, company records, website, and magazine etc.

Tools Used

This study deals with various technical tools to interpret the data collected. After data collection special software SPSS16.0 is applied to analyze the data. The appropriate statistical tools and techniques used are

Percentage Analysis

Percentage method refers to a specified kind which is used in making comparison between two or more series of data. Percentages are based on descriptive relationship. It compares the relative's items. Since the percentage reduces everything to a common base and thereby allow meaning comparison.

Percentage = Number of respondents in each clause/ Total no of respondents x 100

Weighted Average

The weighted average is similar to an arithmetic mean of a set of numbers in which some elements of the set carry more importance (weight) than others.

$$\text{Weighted Average} = \frac{\text{Sum of weighted terms}}{\text{Total numbers of terms}}$$

One-Way Anova

Anova is a statistical test which analyzes variance. It is helpful in making comparison of two or more means which enables a

researcher to draw various results and predictions about two or more sets of data. Anova test includes one-way anova, two-way anova or multiple anova depending upon the type and arrangement of the data.

2. Review of Literature

Rumit Kumar Sahu *et al.* (2017) ^[1], conducted a study to analyze the preference of customers for purchasing the car. And also to ascertain the major factors of a customer preference of purchasing a light motor vehicle. The study finds that facilities, self esteem, performance, publicity and service orientation influencing the customer overall preference about light motor vehicle cars, the more factor loading is associated with the self esteem factor. The majority of customers prefer Maruti Suzuki brand of car in Bhilai-Durg city. The author suggested from the study that the car manufacturers should emphasize on self esteem factors which consist of comfort, style and model variants as by and of itself customers will have a superior recognition of aspect of the brand. The author concluded that there is tough competitions in the market so it is must to always studied and launch the cars according to the customer's preference.

3. Profile of Maruti Suzuki India Ltd.

Overview of Maruti Suzuki India limited

Maruti Suzuki India Limited (MSIL, formerly known as Maruti Udyog Ltd) is a subsidiary of Suzuki Motor Corporation, Japan. Maruti Suzuki has been the leader of the Indian car market for over two and a half decades. It is largely credited for having brought in an automobile revolution to India. Maruti Suzuki India Limited accounting for nearly 50 percent of the total industry sales. In terms of number of cars produced and sold, the company is the largest subsidiary of Suzuki Motor Corporation, cumulatively; the company has produced over 10 million vehicles since the roll out of its first vehicle on 14th December, 1983. Maruti Suzuki is the only Indian company to have crossed the 10 million sales mark since its inception. The company has two manufacturing facilities located at Gurgaon and Manesar, south of New Delhi, India. Both the facilities have a combined capability to produce over a 1.5 million (1,500,000) vehicles annually. Maruti Suzuki offers 16 brands and over 150 variants ranging from people's car Maruti 800 to the latest Life Utility Vehicles, Ertiga. Maruti Suzuki's portfolio includes Maruti 800, Alto, Alto K10, A-Star, Estilo, Wagon-R, Ritz, Swift, Swift Dzire, SX4, Omni, Eeco, Kizashi, Grand Vitara, Gypsy and Ertiga. The company employs over 9000 people (as on 31st March 2012). Maruti Suzuki's sales and service network is the largest among car manufacturers in India. The company has been rated first in customer satisfaction in the JD Power survey for 12 consecutive years

4. Analysis and Interpretation

This chapter deals with the analysis and interpretation of study on brand loyalty in Maruti Suzuki with special reference to Coimbatore city. The data collected from the samples have systematically applied and presented in the tables under various headings in the following pages. They were also arranged in such a way that, a detailed analysis can be made so as to present suitable interpretation for the same. The

following tools and techniques were used for analysis of the data collected.

Percentage Analysis

Percentage method refers to a specified kind which is used in making comparison between two or more series of data. Percentages are based on descriptive relationship. It compares the relatives' items. Since the percentage reduces everything to a common base and thereby allow meaning comparison.

Percentage = Number of respondents in each clause / Total no of respondents x 100

Table 1: Age of the Respondents

Age of the Respondents Age	No of Respondents	Percent
18-25 years	65	26.0
26-35 years	96	38.4
36 - 45 years	49	19.6
Above 45 years	40	16.0
Total	250	100.0

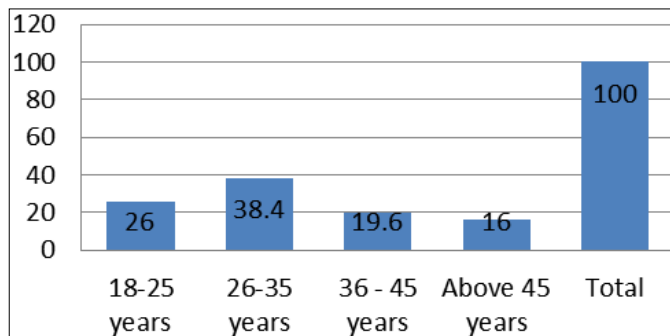


Fig 1: Age of the Respondents

5. Findings, Suggestions and Conclusion

5.1 Findings

Percentage Analysis

Among the 250 respondents, majority 38.4 percent of the respondents are between '26-35 years' of age. 51.2 percent of the respondents are 'Male' only and 53.6 percent of the respondents are 'Single' only. 43.6 percent of the respondents are qualified upto 'Under Graduate' level, 25.2 percent of the respondents qualified only in 'School Level', 23.6 percent of the respondents are qualified upto 'Post Graduate' and finally 7.6 percent of the respondents are coming under 'Others' category. Majority 24 percent of the respondents are doing 'Own Business' and 32 percent of the respondents' annual income is between 'Rs.2 Lakhs to Rs.4 Lakhs'.

42.8 percent of the respondents' family members are between '3 to 4'. Majority 40.4 percent of the respondents' source of awareness about Maruti Suzuki are through 'Digital Media'.

5.2 Suggestions

- Marketing strategy should concentrate more in general Advertisements and the digital media awareness should be extended to reach the public more.
- In order to maintain brand loyalty towards product quality, Maruti Suzuki has to introduce numerous varieties which are customized to customer access and also the company should bring variants in color in the forthcoming model wise.

6. Conclusion

The results discussed above shows the brand loyalty of Maruti Suzuki with special reference to Coimbatore city. Accordingly; it was found that Coimbatore region have strong influence on the product quality, price, perceive quality, showroom environment and availability of models towards Maruti Suzuki. When making a four wheeler purchase decision, the personal factors and product characteristics are important for consumers in India. In order to know the level of satisfaction, quality and features have been discussed and also enquired about various factors towards the satisfaction level. The problems towards Maruti Suzuki are identified with the feedback of consumers in Coimbatore city. The present study is an attempt to know about the brand loyalty towards Maruti Suzuki in Coimbatore city. On the basis of the findings of the study, some practicable and viable suggestions are given.

7. References

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