



## A Study on Customer's Brand Loyalty and Satisfaction of Maruti Car At Erode District

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### ABSTRACT

*Maruti Suzuki India Limited is India's leading & largest Passenger car manufacturer which accounting for nearly 50 percent of the total industry sales. The company has received awards and achievements due to its continuous innovations and technological up gradations. Customer loyalty is a major contributor to sustainable profit growth. To achieve success, a company must make superior service second nature of the organization. Organizations are increasingly interested in retaining existing customers while targeting non-customers existing customers are brand ambassadors for the new one. In this background an attempt has been made to measure customer satisfaction which provides an indication of how successful the organization is at providing services to the marketplace.*

**Keywords : Satisfaction, Loyalty, Customer Retention and passenger car**

### INTRODUCTION

The automotive industry in India is one of the larger markets in the world and had previously been one of the fastest growing globally, but is now seeing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2011. According to recent reports, India overtook Brazil and became the sixth largest passenger vehicle producer in the world (beating such old and new auto makers as Belgium, United Kingdom, Italy, Canada, Mexico, Russia, Spain, France, Brazil), grew 16 to 18 per cent to sell around three million units in the course of 2011-12. In 2009, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea, and Thailand. In 2010, India beat Thailand to become Asia's third largest exporter of passenger cars.

The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster consisting of Chennai is the biggest with 35% of the revenue share. The western hub near Mumbai and Pune contributes to 33% of the market and the northern cluster around the National Capital Region contributes 32%.

### MEASURING CUSTOMER SATISFACTION

Organizations are increasingly interested in retaining existing customers while targeting new-customers. Measuring customer satisfaction provides an indication of how successful the organization is at providing services to the marketplace. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The 'Quality Values' which influence satisfaction include: Quality, Value, Timeliness, Efficiency, Easy improvement and organizational change measurements

### REVIEW OF LITERATURE

Kotler (2000) defined satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a products' perceived performance (or outcome) in relation to his or her expectations. When customers become satisfied about the value that is offered and sometimes his or her expectation is met and exceeded, can generate many benefits for a firm. Positive word of mouth from existing and satisfied customers sometimes can translate into more new customers to the firm.

R.C.Bhargava, Seetha (2010) in their book, The Maruti Story, focuses on the journey & developments of Maruti Suzuki India Limited. Mr.Bhargava in his book pointed that Maruti Udyog established new standards of quality, productivity, industrial relations and customer care in the Indian automobile industry and the manufacturing sector at large.

### RESEARCH METHODOLOGY

The study is exploratory in nature and based on primary and secondary data. Secondary data is collected from the different journals, internet and periodicals, car manufacturers' websites. Primary data is gathered using on field survey methods. To elicit the responses, a detailed questionnaire has been designed and surveyed. Information is obtained from the customers of Maruti Suzuki cars. The questionnaire is pre-tested several times to arrive at appropriate wording, format, length and sequencing of the questions. Pre-test feedback is used to refine the questionnaire until it is ready for data collection. 200 customers were elicited for this purpose. The respondents are selected by using simple random sampling technique.

### OBJECTIVES OF THE STUDY

- To study the customer satisfaction of Maruti cars .
- To study the customers opinion about various brands of Maruti cars and their price service, credit facilities, resale value and quality.
- To offer suggestion to improve the sales of Maruti cars in the study area.

**HYPOTHESIS**

The following are the hypotheses of the study :

- There is no significant relationship between the age and customer satisfaction
- There is no significant relationship between the educational qualification and brand preference.
- There is no significant relationship between the occupation and level of satisfaction.
- There is no significant relationship between the monthly income and brand preference.

**STATEMENT OF THE PROBLEM**

The leading automobile manufactures at global level have designed various models with different features. Hence an attempt was made to identify the brand preference of Maruti in the study area, based on these problems the following questions were probed.

- What is the reason for the purchase of Maruti brand of vehicle?
- What is your opinion about the price and mileage of the vehicle?
- Who/what influenced you to purchase the vehicle?

**Table No :1**

**Distribution of sample respondent according to Personal profile and Customers level of satisfaction**

Level Of Satisfaction/ Age	Low	Medium	High	Total	Level Of atisfaction/ Educational Qualification	Low	Medium	High	Total
Below 30 years	24 (17%)	92 (64%)	28 (19%)	144	Illiterate	12 (100%)	-	-	12
30 – 40 years	4(11%)	28 (78%)	4 (11%)	36	School level	4 (8%)	36(69%)	12 (23%)	52
40-50 years	4 (25%)	8 (50%)	4 (25%)	16	Graduate	12(13%)	88 (71%)	20 (16%)	124
Above 50years	4 (100%)	-	-	4	Others	-	8 (67%)	4 (33%)	12
<b>Total</b>	<b>36</b>	<b>128</b>	<b>36</b>	<b>200</b>	<b>Total</b>	<b>28</b>	<b>132</b>	<b>40</b>	<b>200</b>
Level Of Satisfaction/ Occupation	Low	Medium	High	Total	Level Of Satisfaction/ Monthly Income	Low	Medium	High	Total
Business	12 (27%)	24 (55%)	8 (18%)	44	Below Rs.20000	8 (12.5%)	40 (62.5%)	16 (25%)	64
Govt. Service	4 (6%)	48 (70%)	16 (24%)	68	Rs.20000 – 30000	16 (24%)	44 (65%)	8 (11%)	68
Private Service	12 (17.6%)	44 (65%)	12 (17.6%)	68	Rs.30000 – 40000	8 (14%)	36 (64%)	12 (21%)	56
Others	4 (20%)	16 (80%)	-	20	Above 50000	-	12 (100%)	-	12
<b>Total</b>	<b>32</b>	<b>132</b>	<b>36</b>	<b>200</b>	<b>Total</b>	<b>32</b>	<b>132</b>	<b>36</b>	<b>200</b>

**Table No :2**

**Chi square analysis regarding Level of satisfaction**

No association between	Calculated Chi-square value	Degree of freedom	Table value	Result
Age and level of satisfaction	6.12	6	12.592	Accepted
Monthly income and level of satisfaction	3.25	6	12.592	Accepted
Educational qualification and level of satisfaction	17.75	6	12.592	Rejected
Occupation and level of satisfaction	3.67	6	12.592	Accepted

**Age and level of satisfaction**

It could be identified from the table No.2 that the calculated chi-square value is more than the table value and the result is significant at 5% level. Hence the hypothesis "association between sex and level of satisfaction is accepted". It could be concluded that there is no significant relationship between age and level of satisfaction.

- What is your level of satisfaction about the after sales service provided by the dealers?

**STATISTICAL TOOLS**

The statistical tools like simple percentage analysis, Mean deviation and chi-square analysis are applied.

**ANALYSIS & INTERPRETATION**

**Chi square test**

A family of probability distribution, differentiated by their degree of freedom is used to test a number of different hypotheses about, proportions and distributional goodness of fit.

$$\text{Chi square test } (\chi^2) = \sum \frac{(O - E)^2}{E}$$

Degrees of freedom = (R-1) (C-1)

Where as,

O = Observed frequency      R = Number of rows

C = Number of columns      E = Expected frequency

**Monthly income and level of satisfaction**

It could identify from the table No.2 that the calculated chi-square value is more than the table value and the result is significant at 5% level. Hence the hypothesis "association between income and level between Monthly of is satisfaction is accepted". It could be concluded that there is no significant relationship between Monthly income and level of satisfaction.

**Educational qualification and level of satisfaction**

It could identify from the table No.2 that the calculated chi-square value is less than the table value and the result is significant at 5% level. Hence the hypothesis "association between Educational qualification and level of satisfaction is rejected". It could be concluded that there is significant relationship between Educational qualification and level of satisfaction.

**Occupation and level of satisfaction**

It could identify from the table No.2 that the calculated chi-square value is more than the table value and the result is significant at 5% level. Hence the hypothesis "association between Occupation and level of satisfaction is accepted". It could be concluded that there is no significant relationship between Occupation and level of satisfaction.

## FINDINGS

This study about brand preference towards services provided by customer's preference in Erode District and its related aspects revealed the following findings.

- Majority of the respondents are male belong to the age group of below 30 years.
- Majority of the respondents are government service and private service.
- Majority of the respondents are belongs to the income group of Rs.20000 to 30000.
- 46% of the respondent's family size in 1-3 members.
- 60% of the respondents using car in personal use.
- 34% of respondents are purchased by second hand car.
- 36% of the respondents seeing good advertisement of Maruti cars.
- 56% of the respondents are choosing the show room to purchasing the car.

## SUGGESTIONS

The company must improve their selling through the promotional activities. It helps to face the competitors and to retain the existing customers and also to attract the new customers.

- The most of the customers are attract by credit facilities.
- The company must find the unnecessary selling expenses and ineffective marketing expenses and try to reduce these expenses, because this will help to reduce the sell-

ing price.

- The company may introduce the different type of new technology model cars based on fulfill the customers expectations and satisfactions. This will very helpful for attract and easily retain the customers. From this way the companies easily increase their sales and also increase their market share.

## CONCLUSION

Since the table value is great than the calculated value, the null hypothesis is accepted. Hence we concluded that now a days using four wheeler become essential in business life. Brand image motivates to use particular brand most probably by the business people.

Maruti Udyog Ltd has various brands of car, but majority of the respondent prefer Omni. They are satisfied with price, band, image, convenience, appearance and quality requires less maintenance cost.

In this study number of respondents are highly buying Maruti 800, Omni, Maruti Alto, Maruti Zen, Swift, Wagon – R, Maruti Zen Estilo. Other brand of Maruti such as Baleno, Grand Vitara, Swift DZine, A-star, Versa etc., are not preferred. The reason is they feel it as costly and not up to their expectation regarding colours, more mileage, and condition of engine. So the company should provide these facilities and also an effective advertisement to improve their sales.

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