

AN ANALYSIS OF CUSTOMER PERCEPTION: SPECIAL REFERENCE TO MARUTI SUZUKI IN PUNE REGION

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Abstract

Every business houses strives to increase its market share and comes with different offers in order to attract customer. Maruti is the leading car manufacturer in India and caters to different parts of region through its different dealer network. However these dealers' being from different business entities caters the same market. Where there is no restriction on the same region customers can move from one dealer to another. This study was carried out to reveal whether the dealers were offering more discounts in order to attract customers. Secondly, there are more offering and more discounts are offered during the festival season by manufacturer and dealers, the author evaluates whether there is any impact of festival. Additionally major parameter was also identified that the customer considers before buying car. The data of 25 samples was treated with One-Way ANOVA and Chi-Square method to prove the hypothesis. Moreover, ranking method was used to reveal the major parameter that the customer evaluated during buying of car. Finally it was concluded that Maruti dealers do offers similar pricing and nearly equal offers. Festival has an impact on buying major products like cars. Moreover, pricing was analyzed to be major factor for preference.

KEY WORDS Buyer Parameters, Consumer Preference, Dealers, Festival Season, Maruti Suzuki.

INTRODUCTION

Festival in India has its own significance. Especially in India it is has been demarcated as an auspicious time where people buy new items. Moreover, these are the marketing season where the marketers expect volume sales and promote the product accordingly. For an Indian consumers' it becomes a major occasion where the people buy major durable items. People buy things because of two reasons, firstly the culture importance and emotionality of the auspicious day the legacy which the ancestors have inculcate the next generation. In fest season the purchase decision are mostly driven by emotions. The holiday season comes with a big bonus of reminding customers about the Indian culture by associating it with the products. Festivities provide a good opportunity to reconnect with the customers, in which marketers plan effective marketing strategies.¹ Diwali is such a major festival where the car manufacturers' offers special discounts worth up to Rs. 60,000 in a bid to cash in on the festive season in the midst of a sluggish market.²

REVIEW OF LITERATURE

Baseline sales measure what retail sales would be in the absence of a promotion, and models that measure baseline sales were widely used by managers to assess the profitability of promotions.

¹ Franchiseindia.com, Marketing Strategies that work during Festivals.

² <http://www.ndtv.com/photos/business/the-best-car-discounts-this-diwali-13780#photo-179088>.

Estimates of baseline sales and promotional response were typically independent of past promotional activity, even though there is evidence to suggest that increased discounting reduces off-promotion sales and increases the percentage of purchases made on deal. As a result, models that do not consider dynamic promotional effects can mislead managers to over promote. Given the widespread use of “static” models to evaluate the efficacy of promotions, it is particularly desirable to calibrate a dynamic brand sales model and use it to establish an optimal course of action. Accordingly, the researchers developed a descriptive dynamic brand sales model and use it to determine normative price promotion strategies. The descriptive approach consists of estimating a varying-parameter sales response model. Letting model parameters vary with past discounting activity accommodates the possibility that market response changes with firms’ discounting policies. In the normative model, we use the estimates obtained in the descriptive model to determine optimal retailer and manufacturer prices over time. The results of the descriptive model indicate that promotions had positive contemporaneous effects on sales accompanied by negative future effects on baseline sales. The results of the normative model suggest that the higher-share brands in the data tend to over promote while the lower share brands do not promote frequently enough. They projected that the use of our model could improve manufacturers’ profits by as much as 7% to 31%. More generally, the normative results indicate that i) if deals become more effective in the period, i.e., if consumers were more price sensitive, promotions should be used more frequently; and ii) as the negative dynamic effect of discounts on sales increases, the optimal level of discounting should go down. Without their approach, it would be difficult to make this trade-off exact. Finally, the author demonstrates that these dynamic effects provide another perspective to the marketing literature regarding the existence of promotions. (Kopalle, Mela, & Marsh, 1999). Malik, Syeda (2011) analysed the relationship among sales promotion strategies and the profitability of the firms along with the perception about sales promotion of the consumers and its relationship with the brand loyalty of that particular brand or company. The study revealed that consumers’ perception about sales promotion has a significantly positive relationship with brand loyalty. Furthermore it was also investigated that firms’ with consumers’ for whom the reasons of preference is price are more likely to show vital increase in sales in the periods in which sales promotion was offered than the companies whom consumers were preferring the brand for quality or some other reasons. The aspect was also closely related with the consumer’s ability to adequately recall the respective company’s sales promotion activities. Sunday, & Bayode (2011) evaluated the strategic influence of promotional mix on organisation sale turnover in manufacturing organisation. The research data were gathered through the use of secondary data and primary data, secondary data included 6years annual report comprising the sales turnover (2005-2009) and questionnaire which is an instrument of primary data collection. The questionnaires were administered to the workers of 7up Company and some customers in Solebo Estate in Lagos. The researcher adopted the simple percentage and regression model for the analysis of the collected data. The result of the findings revealed that strategic promotional mix influences the sale turnover with little 25% while other variable not included in the variable tested takes the larger 75% that will rapidly lead to organisation growth. Since promotional mix constitute few % of variable that can push an organisation to the highest level, therefore other factors of marketing mix such as product development, effective pricing, distribution of right quality and quantity to the consumers should be appropriately considered. Accordingly to Chaharsoughi & Yasory (2012) studies that strive to understand the impact of sales promotions on consumers’ behaviour are very important. As well as culture has profound implications on the psyche of the consumers’ behaviour, adaptation to cultural values leads to marketing effectiveness. The author studies to understanding consumer behavior in a different framework were very useful for the success of an organization in national or international level. It was concluded sales promotion has direct impact on consumer behaviour and culture has significant effect on the behaviour of individuals as well.

Sales promotions are generally looked at as tools that undermine the brand; yet a tool that is necessarily meant to speed up sales. Consumer sales promotion take up a large share of the total marketing expenditure despite which it remains an area that still attracts attention as an essential component of the promotion mix meant to increase short term sales. Most of the marketers resort to sales promotions to attract the competitor's market share. Karthikeyan,B., & Panchanatham,N. (2013) analysed the impact of consumer sales promotions on 579 consumers. The study had attempted to explore which sales promotional techniques going to be dominate on personal care products in Fast Moving Consumer Goods. Researchers were tested for personal care products which reveals that free gift offer dominate among other sales promotional techniques for consumers followed by saver pack offers and sweepstakes. Branded Apparel Retail Industry in India relies more on sales promotion to increase footfalls and sales of the apparels. Salvi,Priti (2013) attempts to study the effectiveness of three sales promotional schemes namely Discount, Price Off and Buy One Get One Free on consumer buying behaviour. The effect of these sales promotional schemes were measured on seven buying behaviour responses like visit to store, purchasing the product, purchase acceleration, stockpiling, spending more, trial and brand switching. The sample for the study was the 152 students studying in post graduate course in different regions of Gujarat. Freidman Test was used to check the effectiveness of various schemes and it was found that all the three schemes were effective in inducing visit to store , purchasing the product and purchase acceleration (except BOGO). But they were not found in inducing effective in inducing other buying behaviour responses.In the emerging business scenario various promotional techniques are used by the marketer for influencing the purchase decision of their consumers. Sales promotion, a key element of promotional mix had been widely used to sustain competitive advantage, increase sales and stimulate consumer purchase decision, was becoming a valuable tool for marketers to influence purchase decision. The authors had made efforts to find out the various sales promotion tools and its impact on purchase decision towards white good (refrigerator). For conducting the research, data was collected through convenience sampling of 109 respondents through descriptive research design technique. Later the data was analysed and the hypothesis was tested by using multiple regression technique. The result shows that among the various sales promotion tools: offer, premium and contest were the most influencing variables for consumer purchase decision. (Soni,Neha & Verghese, 2013).Sales promotion is any initiative undertaken by an organisation to promote on increase in sales, usage or trial of a product or service. Sales promotions are varied. Often they are original and creative and hence a comprehensive list of all available techniques sales promotion includes several communication activities that attempt of provide added value or incentives to consumers, wholesalers, retailers or other organisation customers to stimulate immediate sales. The purpose of this article was to stabilise them in the market as well as to retain its identity to find out sales promotional activities in the context of Airtel broadband services at Coimbatore. For this article the two objectives were framed. The sampling size of the respondents is 100 and simple random sampling was used to collect data. The statistical tools used to analyse the data were percentage chi-square and rank analysis. Both the primary and secondary data were used to collect data for the study. The study revealed the picture of customer's perception and satisfaction which help Airtel broadband to encourage more people to have customers and consumers of Airtel broadband. (Nalini, Syed, & Karthikeya, 2015).Familmaleki, Aghighi, & Hamidi(2015) in their study investigated the effects of sales promotion on buyer decision making process. In other words, the general objective of this study was to find out the effectiveness of some elements on the buying behaviours of customers. Marketing activities related to the promotion of sales increased consumer purchases and indirectly to get more profit for the company. So, the purpose of sales promotion is to reach the targeted consumers and pervade them to buy .Sales promotion has become a vital tool for marketing and its importance has been increasing significantly over the years. One of the purposes of a sales promotion is to elicit a direct impact on the purchase behaviour of the firm's consumers. Firms have to rethink the relationship between attitude and behaviour of their

consumers. In this study, we will discuss the impact of sales promotion on consumer purchasing behaviour. And finally it was concluded that organizations should carefully plan their promotional strategies, and allocate promotional budget over the different promotion tools, giving preference to the more effective tools. Drechsler et al (2017) compared the impact of different multi-unit promotions (MUPs) and a single-unit promotion (SUP) on store-level sales and consumer-level purchase probability and quantity decision. The paper combines two empirical studies. Study 1 applies a hierarchical multiplicative model to store-level sales data for four product categories provided by a large Dutch retail chain. Study 2 presents a laboratory experiment in which the quantity requirements of the two focal MUP frames are manipulated to assess their impact on consumer purchase decisions. They provide empirical evidence for the superiority of the “X for \$Y” above “X + N free”, which confirms the hypotheses based on prospect theory, mental accounting and theory about gift giving. Quantity requirements of 4 to 5 units show the largest effects. In addition, the superiority of the “X for \$Y” frame holds for functional product categories, but not for hedonic categories. They provide managerial insights into the relative effectiveness of alternative MUPs and a SUP, and how this promotional effectiveness depends on the type of product category and quantity requirements. This paper combines actual sales data and experimental data. This “mixed approach” extends existing knowledge by comprehensively evaluating two MUP frames, namely “X + N free” and “X for \$Y” promotions, and a SUP.

OBJECTIVE

1. To analyse differences in the promotions offered by different dealers of Maruti Suzuki Motors, as per customer perception.
2. To evaluate whether festive season has any impact on the consumer car buying behaviour.
3. To study the major parameter that the customer evaluate while selecting a car in Maruti Suzuki Motors.

METHODOLOGY

The data was collected with Primary and Secondary data collection methods. Primary data was collected through 25 random consumers were selected from different areas to generate view on the dealers of Maruti Suzuki Motors. Whereas secondary data was collected through scrutinising different research websites, journals and research papers from global data. The data was treated with One-Way ANOVA and Chi-Square method to prove the hypothesis. Moreover, ranking method was used to reveal the major parameter that the customer evaluated during buying of car.

HYPOTHESIS TO BE TESTED

1. *There is a difference in Promotions offered by different Maruti dealers in order to attract more customers.*
2. *There is a relation between festival season and car buying.*

FINDINGS OF THE STUDY

1. *There is a difference in Promotions offered by different Maruti dealers in order to attract more customers.*

H_0 = There is no difference in the Promotions offered by the different dealers of the Maruti Suzuki motors.

H_1 = There is significant Difference in the Promotions offered by the different dealers of Maruti Suzuki Motors.

Table No. 1 : Customer Perception - Data

	Customers Perceptions about the Dealer Differences in terms of promotions during festival season		
Mahalaxmi	4	5	3
Chowgule	2	3	2
Sai Service	4	3	2
Kothari Wheels	2	2	3

Table No. 2 : ANOVA calculations

Source of Variation	Degree of Freedom	Sum of Squares	Mean Square	F
Treatments (Dealers)	3	5.58	1.86	2.79
Error	8	5.33	0.67	
Total	11	10.92		

Tabulation Value of F at 3 degrees of freedom in the numerator and 8 degrees of freedom in the denominator is 4.07. And at 5 per cent, the computed value of F is 2.79 which is less than tabulated value of F at 3 degrees of Freedom and 8 degrees. Hence the null hypothesis cannot be rejected, and hence it is accepted, which says that there is no difference in the Promotions offered by the different dealers of the Maruti Suzuki Motors.

2. There is a relation between festival season and car buying.

H_0 = Festival season promotion does play an important role on consumers car buying.

H_1 = Festival promotions has no significant impact on the consumers car buying.

Figure 1: Consumer Preference for Car buying during Festival Season

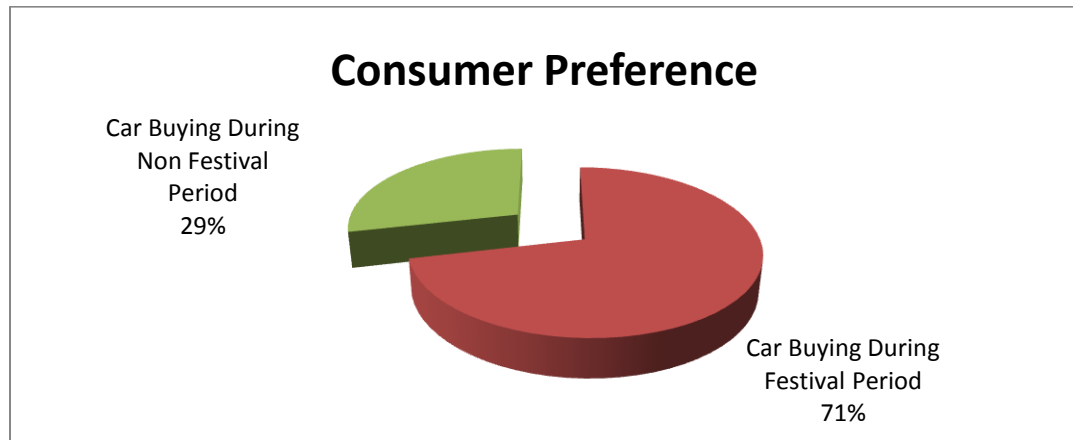


Table No. 3. Cross Tabulation

Type of Promotion Tools	Prefer	Do Not Prefer	Total
Car Buying During Festival Period	10	6	16
Car Buying During Non Festival Period	4	5	9
<i>Total</i>	14	11	25

Table No. 4 : Chi-Square Calculation.

Sr. No.	O	E	O-E	(O-E) ² /E
1	10	8.96	1.04	0.12
2	6	7.04	-1.04	0.15
3	4	5.04	-1.04	0.21
4	5	3.96	1.04	0.27
<i>Total</i>				0.76

The calculated value of χ^2 (0.76) is less than critical value (3.841 for 1DF @5% level), accordingly there is no evidence of rejecting null hypothesis, therefore the hypothesis H_2 is accepted, which proves that there is a relationship between festival season promotions and car buying. Further to know the type of relationship the data can be analysed from observation table i.e cross tabulation, which indicate that highest respondents (10) has preferred for festival season. Thus it can be concluded that Festival season promotion does play an important role on consumers car buying.

- To study the major parameter that the customer evaluate while selecting a car in Maruti Suzuki Motors.

Table No. 5 : Ranking Method

Attribute	Rank						
	1	2	3	4	5	6	7
On Road Price	8	4	4	3	3	2	1
Capacity of Engine	2	3	6	4	4	3	3
Outer & Interior Design	4	3	4	2	6	2	4
Fuel Efficiency	4	6	3	3	3	3	3
Discount/Offer	2	4	3	7	2	3	4
After Sales Maintenances	3	3	2	5	1	7	4
Resale Value	2	2	3	1	6	5	6
Total	25	25	25	25	25	25	25

Table No. 6 : Ranking Method Calculation

Attribute	Rank							Total
	1	2	3	4	5	6	7	
On Road Price	8	8	12	12	15	12	7	74
Capacity of Engine	2	6	18	16	20	18	21	101
Outer & Interior Design	4	6	12	8	30	12	28	100
Fuel Efficiency	4	12	9	12	15	18	21	91
Discount/Offer	2	8	9	28	10	18	28	103
After Sales Maintenances	3	6	6	20	5	42	28	110
Resale Value	2	4	9	4	30	30	42	121

The lowest value 91 indicates the first preference; the following is the inference can be drawn,

- On Road Price
- Fuel Efficiency
- Outer & Interior Design
- Capacity of Engine
- Discount/Offer
- After Sales Maintenances
- Resale Value

LIMITATION

1. The Study is restricted to Pune City.
2. All the Parameters are beyond the scope of this study so research was carried out on selected important parameters.
3. Only few Maharashtra festival are been considered for the study.

CONCLUSION

Car market in India is dominated by Maruti Suzuki India Limited. Its market share of 47 per cent (Source: Time of India, business, Top 3 auto). This increase in the market share is due to various factors. Out of which one major factor was to analyse the customer. There are various dealers appointed by this manufacturer, in order to cater the market of Pune with the total customer's satisfaction. It was assumed that these dealers to increase its market share offer addition benefits to customer, which however was not true. It was revealed that Maruti dealers do offers similar pricing and nearly equal offers among themselves, however there are true competition when it comes about its rivals. The offers are more in the festival season, but do these festival seasons has any impact on consumer buying of car, reveals positive. Customers by different reason, bonus, or auspicious occasion or on traditional value do by the major product like car in festival season. Pricing is most sensitive among Indian customer. The brands are changed due to prices. Car being major product for any house hold are selected on the basis of, on road prices, this is followed by the cost effectiveness that is fuel efficiency and then other parts out and interior design, Engine Capacity, Discounts and Maintenances in followed. Maruti Suzuki dominates as the products are closely related with the expectation and sentiments of the customer. Further study can be carried out to indentify the product and marketing strategy that is offered by the Maruti Suzuki.

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