

BRAND LOYALTY

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ABSTRACT:

The concept of brand loyalty refers to the preference of the customers to purchase a product or service of a company repeatedly instead of going in for the purchase of similar substitute for that product of the competitor. Brand loyalty plays a crucial role among the service organizations. The research was conducted among the buyer of FMCG products

in Chidambaram. Random sampling was adopted to select the sample population. The tool used to collect the data for the study was a questionnaire and the sample size is 100. Regression method was used to analyse the data of the study.

KEYWORDS: consumer perception, brand loyalty

INTRODUCTION MARKETING

A social and Managerial process by which individuals and groups obtain what they need and what through creating and exchanging products and value with others", - Phillip Kotler.

Marketing, more than any other business function, deals with customers. Understanding creating communicating and delivering customer value and satisfaction are the heart of modern marketing thinking and practice.

"Marketing is the delivery of customer satisfaction at a profit". Today marketing must be understood not in the old sense of marketing a sale "telling and selling" – but in the new sense of satisfying customer needs.

Marketing continues throughout the product life cycle trying to find new customers and keep customers by improving product appeal and performance learning from product sales results and managing repeat performance.

Consumers usually face a bard array of products and services that might satisfied a given need. Consumers make buying choices based on their perceptions of the value that various products and services deliver. Customer value is the difference between the values the customer gains from owning and using the products and the costs of obtaining the products.

DEFINITION OF BRAND LOYALTY

Brand loyalty is a unique set of association within the minds of target customers, which represent what the

brand currently stands for, and implies the current promise to customer (Note that brand image is what is currently in minds of customers, where as brand identity is inspirational). It is the sum total of all tangible and intangible traits the ideas, beliefs, values prejudices, interest, feature and ancestry that make it unique.

A brand loyalty visually and collectively represent all internal and external characteristics the name, symbol, packaging, literature, signs, vehicle, and culture. It is anything and everything that influences how its target constituencies or even a single customer perceives brand or even a single marketable investment a company can make. Creating or revitalizing a positive brand loyalty is a basic component of ever business and lays a foundation on which companies can build their future. Once you make your products or service distinctive, build your products or services distinctive; build your new image through a combination of words imaginary and other devices that appeal to human logic and emotion.

Choose or create a memorable name for your brand. Create a visually effective logo. Write tagline or slogan for the brand that concisely and captures and communication the essence of your unique selling proposition .A brand Must communication the essence of your unique setting proposition .A brand must communicate what it distinctively stand for using as few words and or images so it distinctive and easily recognizable to your market. Image alone can help different a commodity whether based on real or perceived benefits as long as the strategy is executed properly. Image can be built to inform consumers about hidden or small different that they might otherwise be unaware of

and thus turn these different onto something that in their own minds they simply cannot live without.

SCOPE OF THE STUDY

This research focused on respondents who were passenger car users. The research provided fruitful information about Varun Motors usage, acquisition and brand preference to Maruti customers in Hyderabad/Secunderabad.

A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumers. Ultimately a brand is something that resides in the minds of consumers.

Sampling Size

By using judgment random sampling technique, 100 respondents are selected for the purpose of study, direct questionnaire are used to survey the consumers.

RESEARCH METHODOLOGY

Data collection is most essential aspect of any research because the whole result of research depends on the data and information hence, the methodology adopted by me to collect the data final conclusion were through.

SOURCE OF DATA

Primary data:

Primary sources of data are the data which needs the personal efforts of collect it and which are not readily available. Primary sources of data are the other type of sources through which the data was collected.

Secondary Data:

Secondary sources are the other important sources through which the data were collected. These are the readily available sources of the data where one had need not put much effort to collect. Because it is already been collected and part in an elderly manner by some researchers, experts and socialites.

The Secondary sources help or study were:

1. Text books like Marketing Management, Research Methodology, Advertisement and sales promotion.

2. Internet was made use for the collection of the data.
3. Newspapers were also referred.
4. Business Magazines also referred.
5. Some journals were also referred.

INDUSTRY PROFILE

Modern marketers are concentrating on the needs and wants of the people, and then producing products, which satisfy those needs.

A turning point in transport came when the wheel was invented. One good point about man is that he never been satisfied with his achievements. He always tries to improve his living conditions.

As time passes in 1888 Benz Company invented the first car in the world. In early 1900 year, lot of changes took place in culture, lifestyle, standard of living was improved. So many industries have entered in this field (4 wheelers) to improve the QUALITY of the product in different parameters.

As well as in 1928 the first imported car was introduced in India, In 1942 Hindustan Motors was incorporated and in 1944 premiere automobiles was started its manufacture. The growth was very less, but in early 90's tremendous changes took place in all industries because of Globalization. Many companies have entered, to start its manufacturing in India, because of cheap viability of resources.

Particularly in India compact car segment, in the past eight years many car makers have entered India hoping to tap its much wanted middle class.

Automobile manufactures in India have, for decades, perpetuated the idea that they know best not only about manufacturing and selling years but also what the customer wanted. As a result even till the early 80's, customer was very often not able to choose the colors of the car or scooter he bought. Indeed, motorcycles were usually black. So too the premiums payable. Dealers were that the act of buying a new car was simply a monetary transaction which resulted in a great favor being bestowed on the customer.

It has all changed now and how! For one more and more of us are buying new cars. In fact more Indians bought cars in July/August 1999 than ever before there were five new cars buyers in for every three in July/August 1998.

REVOLUTION IN AUTOMOBILE INDUSTRY:

Indian Automobile industry has contributed significantly to the national economy through upstream and downstream activities. The major milestones of the industry are as follows:

- ❖ 1928 - The first imported car introduced in India.

- ❖ 1942 – Hindustan Motors was incorporated.
- ❖ 1944 - Premiere Automobile started its manufacturing.
- ❖ 1948 – First PAL car was introduced in India.
- ❖ 1953 - The Government decreed that firms which had a manufacturing unit should be allowed to operate more assemblers of imported CKD. Units asked to terminate their operations within 3 years.
- ❖ 1955 – Only six firms namely HM, APL, SMPH, PAL, M&M, and TELCO Approval. The Government continued with its protectionist policies towards the industries.
- ❖ 1960 – Two wheelers and three wheelers were established in the Indian scenario.
- ❖ 1970 – Major factors affecting the industries structure were implementation of MRTP act, and FERA act of 1973 and 1979 during this period there was not changes in automobile industry.
- ❖ 1980 – Period changes in automobile industry are:
 - First phase of liberalization announced.
 - The advantages like monopoly, oligopoly etc. slowly declined.
 - The Government allowed for foreign collaborations.
 - Important policy some ancillary products, concessions to private sector and foreign collaboration policy etc. resulted in higher growth of the industry then in earlier decades.
 - Revolution in the car market, with the joint venture between the Government of India and Suzuki Motors Corporation take place. i.e., Maruti Udyog Ltd.
- ❖ 1993- Announcement of National Industry Policy which lead to allowing the automobile industry to expand.
- ❖ 1995- The India car market witnessed Liberalization many multinationals like Daewoo, Peugeot, General, Motors, Mercedes Benz and Fiat came in the Indian market.

India car Industry:

The recent move to globalize our economy has opened new vistas for car manufacturers in the country. The immediate post independence years saw very little development in automobile industry. A poor country like ours did not have resources to invest in personal transportation.

The India customer had to wait till the mid 1980's, a full 40 years after independence to see a car that the people wanted. December 1983 heralded a revolution in the India car industry. Maruti collaborated with Suzuki of Japan to produce the first affordable car for the average Indian.

The Maruti 800 was the first version of Maruti to hit the Indian roads in Dec-1983. Since then it has been on a constant rise. At this time, the Indian car market had

stagnated at a volume of 30,000 to 40,000 cars for the decade ending 1983. This was from Maruti taken over.

This sales figure for the year 1993 reached up to 1,96,820. The company reached a total production of one million vehicles in March 1994 becoming the first Indian company to cross this milestone. It crossed the two million mark in 1997.

Fifteen years later, the Indian industry is on the verge of the extreme. It has 44 models of cars. Today there are 20 manufacturers in India.

In March, 1994 Maruti Udyog Ltd., became the first Indian company to produce over one million vehicles, a landmark yet to be achieved by any other car company in India. Maruti is the highest volume car manufacturer in Asia. Outside Japan and Korea having volume car manufacturer in India. Maruti is the highest volume car manufacturer in Asia. Outside Japan and Korea having produced over 4 million vehicles by April, 2003.

Literature of compact car Segment:

Fifteen years ago we had a choice of only two cars. When Maruti came along the selection was enlarged to five. The broad branding period in the mid 1980's added three models and until 1993 the auto sector was delicensed; the choice for Indian car buyer was still in single digits due to the delicensing the global auto makers quickly setup plants for total production so that the variety has increase up to thirty different models within a short span of four years.

But for the majority. Choice has still remained limited. Three out of four car buyers continue to acquire low-cost Maruti as they simply cannot offer most of the new models priced Rs.5lacks and above.

With the down term in the auto industry in general and the mid size segment is particularly manufacturers are modify their strategies and looking at the entire spectrum of the car market to justify their capacity. Companies like Daewoo, Hyundai and Telco will take Maruti head on with low-cost cars in a bid to grab a six able crunch of its 82% market share.

The Indian car market is nowhere near the kind of segmentation. Segmentations happen only in matured markets in a nascent market like India price is a big fact. The fact that the Indian market is segmented according to the price shows that it's immature market On the basis of the price of the Indian market can be classified into three basis categories:

Budget cars- priced less than 4.5 lakhs.
Mid-sized - priced between 4.5 to 8 lakhs.
Luxury cars - priced above 8 lakhs.

Car Segment:

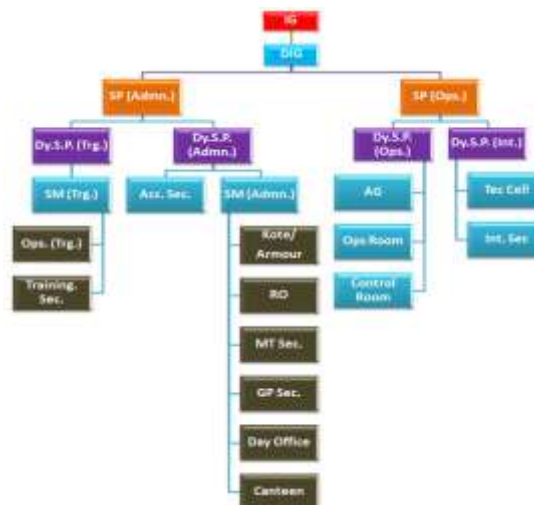
With the expansions of Indian automobile market over a period of time the car models have been grouped in to the following segments.

Based on the Price and size:
A segment(Till 3 lacks) : Maruti800, Omni.
B segment (3 to 4.5 lacks) : Zen, Wagon R, Alto, Santro, Matiz, Palio and Indica.
C1 segment(4.5 to 6.5 lacks) : Esteem, Accent, Siena, Indigo, Ikon, Corsa.
C2 segment(6.5 to 10 lacks) : Baleno, Astra, City and Lancer.
D segment(10 lacks &above) : Octavia, Sonata, Mondeo, Accord, Carmy, Vectra, Corolla, Mercedes.

Indian Car Market Trend:

- The Indian market was fuelled by entry of Maruti 800 and A1 segment car was largest selling segment in market for many years and is still the single largest selling models.
- With the entry of Zen in India market MUL offered the upgrade option to A1 segment owners as well as new buyers.
- The present trend of market shows the tremendous growth in A2 segment the volume of which has already crossed the A1 segment in no and presently constitutes approx 50% of total car market. It appears that A2 segment will continue to be the largest selling for many more years.
- Maruti has 3 models with 13 variants in the growing A2 segments and is continuously consolidating its position in the segment.
- With the continuously evolving market the A3 segment is expanding at slow and consistent rate, MUL has 2 models in the segments with 7 variations to suit customer requirement.
- The largest expansion is happening in A4 segment through importing completely built up cars. However the volumes sold are very small and are limited to bigger cities’.
- MUL has a 54.5% market share while all the remaining manufactures could only make up 45.5%.
- MUL is the world leader in market share and sets a bench mark that is hard to achieve.

STRUCTURE OF THE INDUSTRY



MAJOR PLAYERS OF THE INDUSTRY:

1. Hyundai Motors India Ltd (HMIL)
2. Mahindra & Mahindra Limited (M&M)
3. General Motors India Private Limited (GM India)
4. Honda Cars India Limited
5. Toyota Kirloskar Motor Private Limited (TKM)
6. Hindustan Motors

Hyundai Motors India Ltd (HMIL)



HYUNDAI

Hyundai Motor India Limited, founded in 1998 and a subsidiary of Korean auto giant Hyundai Motor Company, is the second largest car manufacturer in India. It is also country's largest passenger car exporter. Hyundai Motor came very close to the hearts of the Indian auto lovers through its flagship model Santro.

After the recession, Hyundai Motor saw a growth rate of 25% in the domestic market. During September 2009, HMIL sold 53,804 units, comparing to 46,218 units during September 2008. In the domestic market, it sold 27,803 units in September 2009, comparing to 22,311 during September 2008. The overseas sales during the same period also grew up 9% as it sold 26,001 units in September 2009, comparing to 23,907 units during the same month in the previous year.

Initiated in the year 1967, Hyundai Motor Company (HMC), has its headquarters at the capital of South Korea - Seoul. HMC is a segment of Hyundai Kia Automotive Group and administers the world's biggest incorporated vehicle service at Ulsan situated in South Korea. Hyundai Motor India Limited (HMIL), currently has more than 30 modifications of passenger cars in six sections. The various cars feature in different divisions such as Santro is B type car, Getz a B+ type car, Accent C type, Elantra D type, Tucson SUV type, etc. In the financial year 2006, the company registered joint sales of 252,861 units with a steady expansion of 17.26%.

Mahindra & Mahindra Limited (M&M):



Mahindra & Mahindra Limited is another auto-giant in India. A part of the Mahindra Group, M&M is the largest SUV maker in the country. In September 2009, M&M registered a domestic sale of record 26,921 units, comparing to 22,729 units in September 2008 (with an increase of 18.4%). On the other hand, it sold 15,296 units of UV in the same period comparing to 10,641 units in September 2008 (with a whopping growth of 43.7).

Mahindra and Mahindra Limited (M&M) is an Indian multinational automobile manufacturing corporation headquartered in Mumbai, Maharashtra, India. It is one of the largest vehicle manufacturers by production in India and the largest manufacturer of tractors across the world. It is a part of Mahindra Group, an Indian conglomerate. It was ranked as the 10th most trusted brand in India, by

The Brand Trust Report, India Study 2014. It was ranked 21st in the list of top companies of India in Fortune India 500 in 2011

Toyota Kirloskar Motor Private Limited (TKM):



In October 1997, Toyota Kirloskar Motors (TKM) started as a joint venture between Kirloskar Group and Toyota Motor Corporation. Toyota Motor Corporation (TMC) holds 89% of the share and the remaining 11% is owned by Kirloskar Group. TMC was established in 1937 by Kiichiro Toyota in Japan. It is the largest vehicle manufacturer of Japan and is one of the biggest vehicle manufacturers of the world. The manufacturing unit is located at Bidadi near Bangalore.

The Toyota Kirloskar Motor models are :

- ❖ Toyota Qualis
- ❖ Toyota Innova
- ❖ Toyota Corolla
- ❖ Toyota Camry
- ❖ Toyota Plado

Honda Motor Cars :



Honda is the world's largest manufacturer of two Wheelers, Recognized the world over as the symbol of Honda two wheelers, the 'Wings' arrived in India as

Honda Motorcycle and Scooter India Pvt. Ltd. (HMSI), a 100% subsidiary of Honda Motor Company Ltd., Japan, in 1999. Since its establishment in 1999 at Manesar, District Gurgaon, Haryana, Honda has lived up to its reputation of offering the highest quality at the most reasonable price. Despite being one of the youngest players in the Indian two-wheelers market, Honda has become the largest two-wheeler manufacturer as well as the second largest two-wheelers company in India.

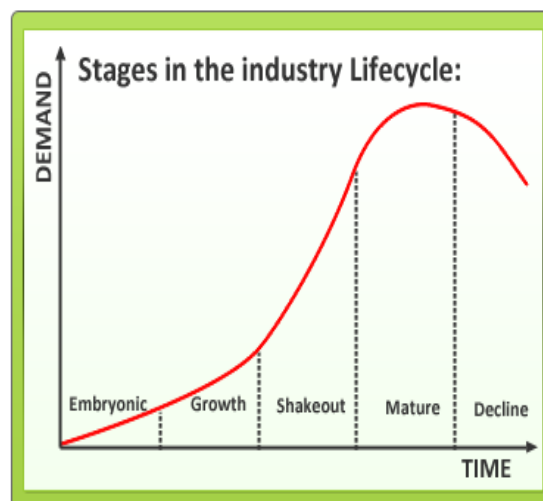
Honda is also the fastest growing company in country today. With a host of facilities under its wings, the first factory of HMSI is spread over 52 acres including a covered area of about 100,000 sq. meters in Manesar, District Gurgaon, Haryana with an annual capacity of 1.65 million units. To meet the ever increasing demands of the products, Honda has started operations of its second plant in Tapukara, District Alwar, Rajasthan. Expanding to full operations, Honda production capacity has jumped 30% year on year to 2.8 million per annum in FY 12-13.

GROWTH AND FUTURE PROSPECTS OF THE INDUSTRY

INDUSTRY LIFE CYCLE:

Since products are not living beings, why do they have life cycles? The reason is that society accepts products at different rates, but all go through similar stages of societal acceptance. This acceptance of innovations by societies is called the diffusion of innovations. As society begins to adopt and accept an innovation, the new product grows, eventually reaching maturity. When there is a better alternative to the product or when public preference changes, the products will enter a decline, possibly ending with the death of the product.

As stated above, the product life cycle consists of four stages: introduction, growth, maturity, and decline. Figure A illustrates the product life cycle. Determination of a product's stage in its life cycle is not based on age, but on the relationship of sales, costs, profits, and number of competitors. Each of these stages is described below.



INTRODUCTION STAGE:

When a new product is introduced to a market, the innovators may be the only people aware of the new product. If the product is a new product class, the innovators may not know what the product uses are. Recalling that the innovators represent only a small percent of the population, the sales of the new product will be low. However, there is an advantage in this situation in that the new product does not yet have any competition. During the introduction stage of a new product, the developer enjoys a monopoly. Unfortunately, the product monopoly does not usually translate to immediate profits. The product may have been in development for a long time and considerable development costs are still in the recovery phase. Also, an expensive marketing effort may be needed to introduce the product to the public. With low sales and high expenses, the introduction stage of the life cycle is usually a money loser for the company. However, the hope is for the future of the product, and the company usually is more than willing to incur the losses.

GROWTH STAGE:

As the early adopters begin to try the product, a sale begins to grow and profits usually start to follow. This is a great time for a company introducing a new product because the company still enjoys a monopoly early in the growth stage. The company is reaping all the sales and profits of the new product. When Chrysler introduced the idea of the minivan, they were in this enviable position of having the only minivan on the market.

As the early adopters begin influencing the early majority, sales and profits soar. The competition has also been watching from the new product's inception. Unfortunately for the original firm, the competition has also noticed the new product's success. Although they cannot be the first,

the competition races to offer their own products and gain a share of a growing market. Chrysler's minivan did not maintain its monopoly for long; soon, the other major automobile manufacturers offered models to compete with Chrysler. Although total sales and profits continue to grow throughout the growth stage, they are divided among many manufacturers.

MATURITY STAGE:

By the end of the growth stage of the life cycle, the market is beginning to become very competitive, and this trend continues into the early period of the maturity stage. Besides many more manufacturers offering their products, the producers continue the product-differentiation process begun in the growth stage. The result is a market saturated with many manufacturers offering many models of the product. These manufacturers produce a multitude of models, from desktop computers to notebooks. With so many companies now in the market, the competition for customers becomes fierce. Although total sales continue to grow during the first part of the maturity stage, the increased competition causes profits to peak at the end of the growth stage and beginning of the maturity stage. Profits then decline during the remainder of the maturity stage. The declining profits mean that the market is not as attractive to companies as it was in the growth stage. In the growth stage, even inefficient companies made money. However, only the best companies and their products survive in the maturity stage. Manufacturers begin to drop out as they see profits turn to losses. Though there is still competition in the computer industry,

DATA INTERPRETATION AND DATA CONCLUSION

1. What is your opinion on Maruti brand compared to other brands?

- a) Excellent b) Good c) Average d) Below average

S.No	Opinion	No. Of Respondents
1.	Excellent	80
2.	Good	15
3.	Average	5
4.	Below average	0

Table 1:
Opinion on Maruti brand

for example, companies such as Dell and Apple have emerged as the leaders in the market. During the later part of the maturity stage, even sales begin to dip, putting more pressure on the remaining manufacturers.

DECLINE STAGE:

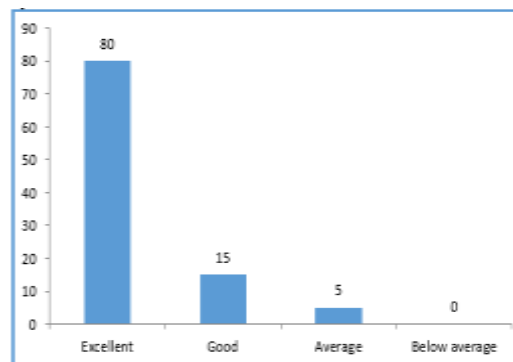
decline, but also the product category itself now becomes a factor. By this time, the market may perceive the product as "old," and it may no longer be in demand. For example, the public replaced their preference for station wagons with their desire for minivans. Advancing technology may also bypass and replace a product, as when tapes and CDs replaced the vinyl record.

The product will continue to exist as long as a few manufacturers can maintain profitability. The laggards will resist switching to the alternative, and manufacturers who can profitably serve this niche will continue to do so.

COMPANY PROFILE

Quick Facts:

Year of Establishment	February 1981
Vision	"The Leader in The Indian Automobile Industry, Creating Customer Delight and Shareholder's Wealth: A guide of India."
Industry	Automotive - Four Wheelers
Listings & its codes	BSE Code: 512400 NSE Code: MARUTI Bloomberg: BOM: MRTL50
Joint Venture	With Suzuki Motor Company, now Suzuki Motor Corporation, of Japan in October 1982.
Registered Office	11th Floor, Jeevan Prakash, 25, Kasturba Gandhi Marg, New Delhi - 110001, India
Corporate Office / Tel.	(91)-(11)-23318831 (10 lines)



Graph 1: Opinion on Maruti brand

Interpretation:

80% of the customers say that Maruti brand is excellent compared to other brands, 15% of the customers say that Maruti brand is good compared to other brands and 5% of the customers say that Maruti brand is average compared to other brands.

Conclusion:

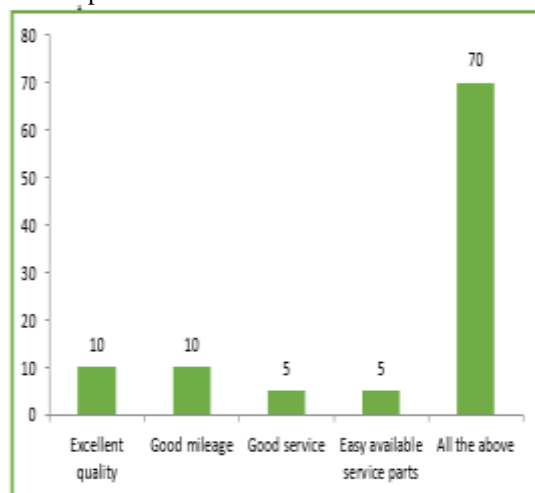
Maximum number of people obeys those aspects of Maruti brand creating good image in customers mind.

CONCLUSION

- a) Excellent quality b) Good mileage
c) Good service
d) Easy available service parts e) All the above

S. No	Opinion	No. Of Respondents
1.	Excellent quality	10
2.	Good mileage	10
3.	Good service	5
4.	Easy available service parts	5
5.	All the above	70

Table 2: Aspects of Maruti brand



Graph 2: Aspects of Maruti brand

Interpretation:

10% of the customers say excellent quality, 10% of the customers say good mileage, 5% of the customer say Good service and 5% of the customer say easy available service parts of Maruti brand is creating good image on the customer mind.

- 60% of respondent are strongly suggested to his friends to go Maruti showroom.
- 70% of respondent are strongly believe that they have been attracted by exchange offer of Maruti show room to purchase a Maruti car.
- Almost the entire respondent having trust in Maruti car and products.
- Most of the customer are liking Maruti showroom because of its managers & executives good service.
- Almost all the respondents believe that Maruti is best and comfortable for small families.
- Maruti show room never created bad impression in mind of customer after visiting and buying a car.
- 80% of respondent strongly believe and 20% respondent agree that the overall performance of Maruti vehicle is good.
- Almost all customers are having preference for Maruti car because of its qualitative as well as easily available parts.
- Brand loyalty of Maruti car as create a good impression 90% of respondent minds to purchase a Maruti car.

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