

RELATIONSHIP MARKETING – A COMPARATIVE STUDY OF DIFFERENT PASSENGER CARS IN INDIA

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Abstract *Gone are the days of surviving by keeping transaction focus. Modern day competitive era calls for keeping a relationship focus with customers so that the same may stand for the company at the time of crisis. This is the way to ensure sustained earnings and growth as well. In today's marketing environment sustainability of the consumer's life time value with a particular organization may not have any validated assurance. In such a scenario the most important tool available with the firms is to make the customers happy. Indian automobile industry is passing through an interesting phase. On one hand, new players are finding the Indian market a lucrative one to enter into, while the existing players are finding it hard to maintain their existing market share on account of cutthroat competition, global recessionary trends and enhanced bargaining power of the customers. Relationship marketing is the best way to enhance the better brand image in the minds of the customers. The present study makes an endeavour to assess the relationship marketing efforts of prominent players of Indian passenger car industry.*

Keywords: *Customer Relationship, Passenger Cars*

1. INTRODUCTION

Relationship marketing is the much-discussed issue in marketing literature. Supplying the product based on the market based demand–supply parity is no longer adequate in the era of mass customization. It is time to honor our customer by finding out their needs and building mutually satisfying relation with them. Berry (1983) defined relationship marketing as “the process of attracting, maintaining and in multiservice organizations—enhancing customer relationships”. The underlying concept is to retain the loyal customer within the company and to honor their long-term preference. It can be said that defensive marketing is easier than offensive marketing. Defensive marketing attempts to reduce customer turnover and increase customer loyalty (Fornell and Werner, 1987). Shani and Chalsani (1992) viewed relationship marketing as “an integrated effort to identify, maintain and build up a network with individual customers and to continuously strengthen the network for mutual benefits of both the sides, through interactive, individualized and value added contracts over a long period of time”.

2. LITERATURE REVIEW

Ghost et al. (2003) in their article, “India's Car is Born” have observed that brand image of Indian car has improved

significantly in the minds of global customers. There was a time when even Indian customers were apprehensive of purchasing Indian made cars. Now, global customers have started recognizing Indian cars as providing them the desired value for money. This is perhaps the reason why export of cars from Indian subcontinent is witnessing an increased growth.

Chidambaran et al (2003) in their study, “Brand Preference of Passenger Cars with Reference to Coimbatore City in Tamilnadu” have tried to assess the awareness level of the people of the city for different brands of passenger cars and various factors that affect their preference for a particular brand. They have concluded that the respondents in Coimbatore city are aware of most of the popular brands of passenger cars. Further they give preference to those brands which are good in fuel efficiency. The authors have opined that brand name in itself conveys product quality, utility, technology, and such other attributes present in the product.

Oliver Wyman (2003) in his study, “Managing the Automobile Brands” has observed that differentiating automobile brands is a tough propagation. Such an assertion of the researcher is on the ground that most of the automobile companies, around the globe, use more or less similar product technology. The author, therefore, has recommended that service should also be used to differentiate brands. He has opined that there is a need for urgent action in automobile brand management.

Thakor, Mrugnak, and Lavack (2003) in their study, “Brand Origin: Conceptualization and Review” have pointed out that there is a need to study the thinking of the people as to whether they give more weightage to the place where brands manufacture their products or to the place where people perceive the brand’s country of origin to be. With such a study, the brand managers can clearly find out how to position their brands in their brand building endeavour.

Semans, D (2004) in his study, “The Brand You Save” has opined that decline in sales of any brand is often preceded by heightened levels of brand switching behaviour, and as such, it is a useful indicator of the brand’s performance. Before consumers desert a brand, they start trying other brands, and then settle in on their next brand of choice (or a portfolio of their preferred brands). Thus, an increase in brand switching provides a meaningful metric and an early warning system for monitoring brand decline. The signs of decline need to be detected quickly if corrective action is to be taken.

Rengandathan (2005) in his study, “Consumer Markets and Buyer Behaviour of Cars” has assessed the perception of few prominent brands of Indian passenger car market in the minds of the customers. He has observed the principle of brand bonding does not apply to various products offered by Hyundai. It is so because they do not fulfil the promise made for them by the manufacturer. The major areas of concern are found to be fuel efficiency and resale value. Customers have viewed that promises made on these fronts have not been fulfilled by the company. Brand bonding, thus, is not found to be strong in case of various products of Hyundai.

Robert W. Palmatier, Rajiv P. Dant, Dhruv Grewal, & Kenneth R. Evans (2006) in their study, “Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis” have suggested that the relationship marketing is the one of the pioneer strategies to manage brands. They have opined that relationship marketing has a direct and positive effect on sales performance. They have also suggested that relationship marketing must focus on building relationships with an individual person.

Denis G. Jarratt, & Constantine S. Katsikeas (2009) in their study, “How does Relationship Management Infrastructure Influence Performances?” have asserted that maintaining a good Relationship Management Infrastructure (RMI) in the organisation has a positional advantage to enhance customer satisfaction level, market share and the financial performance in terms of brand equity. They have also suggested a structural equation modelled on organisational customer relationships.

3. OBJECTIVES OF THE STUDY

The study covers the following objective:

To examine the effectiveness of relationship marketing

efforts to build a strong brand image of the selected passenger car companies through customer feedback in India

4. HYPOTHESIS

There is no significant difference in the relationship marketing efforts of selected brands in terms of the way these are being viewed by their customers

5. RESEARCH METHODOLOGY

This is an empirical study. In order to attain the objectives of the study, primary data have been collected with the help of structured questionnaire addressed to 450 (150 customers of each brand) randomly selected customers from the state of Haryana, Punjab, and NCR. Customers equally divided amongst the three brands viz. Maruti Alto, Hyundai Santro Xing, and Tata Indica. The primary aim of the questionnaire is to assess the relationship marketing efforts of these three B segment passenger cars. Statistical techniques namely Mean, Standard Deviation, and Analysis of Variance have been used to get desired results. The perception of the brand has been depicted with the help of mean scores, deviation in the views of customers has been measured with the help of standard deviation, and the extent to which the selected brands differ to each other has been assessed with the help of Analysis of Variance (ANOVA). The interpretation of mean scores is as follows:

1 or more but less than 2	Very Poor Perception
2 or more but less than 3	Poor Perception
3	Average Perception
3 or more but less than 4	Good Perception
4 or more but less than 5	Very Good Perception
5	Excellent Perception

6. ANALYSIS & INTERPRETATION

6.1 Brand Takes Extra Care of Satisfied Customers

Satisfied customers not only remain intact with the company, but also spread positive word of mouth that motivates others to become customers of the company. Relationship focus thus calls for taking extra care of satisfied customers. Whether the selected companies realize the importance of taking extra care of their satisfied customers can be determined with the help of table 1.

It is clear from table 1 that both Maruti Alto and Tata Indica have got a satisfactory rating from their customers for

Table 1: Brand Takes Extra Care Of Satisfied Customers

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.2400	150	.90990	32.725	.000
Hyundai Santro Xing	2.4867	150	.88033		
Tata Indica	3.1733	150	.88800		
Total	2.9667	450	.95383		

taking care of their requirements. The same is not the case with Santro Xing, however. It has managed an low score of 2.49 which does not show it in good light. It must start maintaining a record of its satisfied customers and accord loyalty benefit to them.

6.2 Brand Motivates Dissatisfied Customers to Lodge Complaints

If satisfied customers generate positive word of mouth, a dissatisfied lot may spread negative word of mouth. Hence, any relationship building exercise may turn out to be a futile one unless it motivates its dissatisfied customers to lodge complaint. The position of selected brands on this front can be assessed with the help of table 2.

It is clear from table 2 that both Maruti Alto and Tata Indica have got almost same scores as they got for taking care of satisfied customers. Santro Xing, meanwhile, has improved its score to 2.93 thereby indicating its higher inclination

towards dissatisfied customers rather than satisfied ones. Still, it has to do a lot more for its dissatisfied customersl to get a better rating. On account of lower range of mean scores (2.93 to 3.30), ANOVA has not detected significant difference between the brands at 1 percent level of significance. However, the difference has been found to be significant at 5 percent level of significance.

6.3 Brand Has Prompt Grievance Handling Cell

Dissatisfied customers need more attention to have prompt solutions of their problems related with brands they owned. Grievance handling cell of the company may help the customers so that they have positive perception of the brands in their minds.

As indicated by table 3, customers of all the selected brands have expressed a fair amount of satisfaction with the

Table 2: Brand Motivates Dissatisfied Customers to Lodge Complaints

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.3067	150	.85095	3.184	.042
Hyundai Santro Xing	2.9267	150	1.47960		
Tata Indica	3.0333	150	1.58608		
Total	3.0889	450	1.35177		

Table 3: Brand Has Prompt Grievance Handling Cell

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.3200	150	.83802	.012	.988
Hyundai Santro Xing	3.3067	150	.85095		
Tata Indica	3.3067	150	.85095		
Total	3.3111	450	.84480		

Table 4: Enthusiastic Involvement of all concerned

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.2800	150	1.04348	10.588	.000
Hyundai Santro Xing	2.9133	150	1.46520		
Tata Indica	2.7200	150	.45050		
Total	2.9711	450	1.09323		

promptness of grievance handling cell. There is nothing to choose in between the selected brands as mean scores have varied between 3.31 and 3.32. Obviously, such a difference can never be significant as proved by ANOVA.

6.4 Enthusiastic Involvement of all Those Concerned in Handling the Grievances with the Brands

The existence of grievance handling cell is justified provided all the employees concerned are working in it by enthusiastically handling the grievances of the customers. Enthusiasm of the employees involved with customer grievance handling cell is judged with the help of table 4.

As clear from table 4 employees associated with Alto brand are found to be more enthusiastic while handling the grievances of the customers, followed by Xing and Indica respectively. On account of variation in their mean scores, ANOVA has detected a significant difference in between them. The selected brands must inculcate necessary enthusiasm in their employees on this front, as without it relationship marketing endeavors cannot be rated as successful.

6.5 Brand Maintains Multiple Communication Channels to Interact with Customers

In the era of information technology different means of communication channels have been utilized by the companies to provide the up-to-date information related to the usability of the brands the customers own. Now a day's companies are looking forward to the different means of communication channels to interact with not only existing customers but also the prospective customers.

Table 5 indicates that all the three selected brands are more or less successful in convincing their customers with multiple interactive communication channels that they are keeping. All of them have got a mean score in excess of 3.50 and have not been found differing significantly.

6.6 Brand Focuses on Periodical Communication with Customers

The usability of the various means of communication is dependent on the frequent interaction with customers, so that customers can be aware of the different means of strategies of the company.

Table 5: Brand Maintains Multiple Communication Channels to Interact with Customers

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.6333	150	.83076	.449	.638
Hyundai Santro Xing	3.5267	150	1.05358		
Tata Indica	3.5867	150	1.03097		
Total	3.5822	450	.97572		

Table 6: Brand Focuses On Periodical Communication with Customers

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.6800	150	.77130	73.181	.000
Hyundai Santro Xing	2.6133	150	1.10391		
Tata Indica	2.5067	150	.88041		
Total	2.9333	450	1.06785		

Table 7: Brand Recovers over Failed Service

Brand Name	Mean	N	Std. Deviation	F	Sig.
Maruti Alto	3.8800	150	.65457	117.665	.000
Hyundai Santro Xing	2.7333	150	.44370		
Tata Indica	2.6400	150	1.09471		
Total	3.0844	450	.96115		

Table 6 indicates that barring Maruti Alto, none of the other selected brands focuses on communicating periodically with their customers. Alto has got a mean rating of 3.68 while the other two are struggling with 2.61 (Santro Xing) and 2.51 (Tata Indica) respectively. Tata Indica and Santro Xing must realize that merely keeping communication channels is not sufficient. They should be used to interact periodically with customers. These must not only be receptive but proactive as well. ANOVA has indicated a significant difference between the selected brands.

7. BRAND RECOVERS OVER THE FAILED SERVICE

At the outset, the brand must ensure that no failure occurs. However, many a time failure becomes inevitable irrespective of adequate precaution. Under such a situation, it becomes imperative for the brand to recover over the failed service. It may rather turn a precarious situation into an opportunity for enhancing relationship with the customers. The report card of selected brands on this aspect has been presented with the help of table 7.

It is clear from table 7 that Maruti Alto has got a very good rating from its customers on recovering over the failure. Mean score of 3.88 being obtained by it clearly depicts its sincerity on this front. Santro Xing and Tata Indica, meanwhile, have again been rated as poor in recovering over

any kind of failure. They must realize that if failure is bad, non-recovery of the same is even worse. Quite obviously, the brands differ significantly on this front as well.

8. CONCLUSION

It is evident from the study that the customers, especially those of Hyundai Motors India Limited and Tata Motors Limited do not carry an impression. Customers of Santro Xing (Hyundai Motors India Limited) have found their brand to be desirable for taking extra care of satisfied customers and motivating dissatisfied customers to lodge complaint. Customers of both Hyundai Motors India Limited and Tata Motors Limited have not found the employees of these companies to be very enthusiastic in solving their grievances. These companies are also not focusing on periodical communication with customers and the customers' views should be taken into consideration. Views of the customers of Maruti Suzuki India Limited are more in accordance with the managers on relationship building front.

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