

MARKETING STRATEGIES OF MARUTI SUZUKI

LIZA

GALGOTIAS UNIVERSITY

Abstract:

Maruti Suzuki, a leading player in the Indian automotive industry, employs a comprehensive set of marketing strategies to maintain its competitive edge and meet the evolving needs of its customers. Central to its approach is the meticulous segmentation of the market, enabling the company to identify and target specific customer segments effectively. Through continuous product innovation and differentiation, Maruti Suzuki ensures its offerings remain relevant and desirable in the market. This involves introducing new models, integrating advanced technology, and enhancing features to align with customer preferences and market trends. Furthermore, Maruti Suzuki has successfully established a strong brand image characterized by reliability, affordability, and customer-centricity. This positioning is consistently reinforced through its marketing efforts, resonating with consumers and fostering brand loyalty. Efficient management of its extensive distribution network, comprising dealerships, service centers, and online platforms, ensures broad market reach and accessibility across diverse geographical locations. Maruti Suzuki's promotional activities, including advertising, sponsorships, events, and digital marketing, play a vital role in creating brand awareness and driving sales. Moreover, the company places significant emphasis on customer engagement and satisfaction, offering exemplary after-sales service and implementing loyalty programs to foster long-term relationships. In recent years, Maruti Suzuki has also embraced sustainability and corporate social responsibility initiatives, aligning with consumer expectations and societal values. By integrating these elements into its marketing strategies, Maruti Suzuki aims not only to drive sales but also to build enduring brand equity and fulfil its corporate responsibilities.

Introduction:

Established through an Act of Parliament in February 1981 to meet the rising demand for personal transportation, driven by the shortcomings of public transport, Maruti Suzuki India Limited entered into a joint venture with Suzuki Motor Company, selected for its expertise in small car manufacturing and commitment to advanced technology and management practices. The agreement, signed in October 1982, aimed to modernize the Indian Automobile Industry, produce fuel-efficient vehicles, and contribute significantly to economic growth. Originally named Maruti Udyog Limited, the company has since become a prominent player in the Indian automotive sector, operating as a 54.2%-owned subsidiary of Suzuki Motor Corporation. By January 2017, it had captured a substantial 51% market share in the Indian passenger car market. Maruti Suzuki is renowned for its diverse lineup, including popular models like the Ciaz, Ertiga, Wagon R, Alto, Swift, Celerio, Swift Dzire, and Omni. Its corporate headquarters are located in New Delhi. Notably, in February 2012, Maruti Suzuki celebrated the significant achievement of selling its ten millionth vehicle in India.

Literature Review:

In 2012, Shashank Srivastava, serving as the General Manager at Maruti Suzuki, emphasized the growing price sensitivity among consumers and the diminishing trend of brand loyalty due to the abundance of options available in every segment. Moreover, customers today exhibit a greater inclination towards exploring different products.

In 2013, Peyton, R.M., presented a comprehensive literature review on various theories of Customer Satisfaction and Dissatisfaction (CS/D) in a working paper at the Allied Academies International Conference. The review primarily focuses on pre-1990s works, examining the fundamental components of the decision-making process and addressing measurement-related challenges relevant to this field of study.

In 2014, Willard Hom categorized models of customer satisfaction into two main classifications: Macro-models, which position customer satisfaction within a broader context of related constructs in marketing research, and Micro-models, which dissect the individual elements contributing to customer satisfaction. The paper also presents diverse customer satisfaction models from the perspective of marketing research.

In 2016, in his book, Vavra, T.G., proposed specific strategies to enhance the measurement of customer satisfaction within organizations. The author delineates five essential skills necessary for this endeavor, including sampling/customer-participant selection, questionnaire design, interviewing/survey administration, data analysis, and quality function deployment for developing action plans.

Objectives:

The purpose of this research is to examine MARUTI SUZUKI's marketing strategy in GURGAON, with a specific focus on RKBK AUTOMOBILES (P) LTD. Additional objectives include:

1. Collecting information on MARUTI SUZUKI's marketing approach within the GURGAON region.
2. Understanding the various methods utilized by MARUTI SUZUKI to boost sales in the city.
3. Evaluating customer satisfaction regarding the safety and comfort features provided by MARUTI SUZUKI.
4. Offering recommendations to improve both customer satisfaction and the company's sales and profitability.
5. Assessing customer satisfaction levels regarding the after-sales service provided by MARUTI SUZUKI, with the aim of attracting more customers.

Research Methodology:

The research process involves several stages that guide the project from its inception to the final analysis, recommendations, and actions, ensuring a systematic approach and consistency throughout.

Research Design-

The proposed approach begins with an in-depth secondary research phase to grasp the industry's full impact and implications. This involves reviewing and analyzing industry norms and reports to identify specific unanswered questions or areas subject to change. The issues identified will then be further explored in the exploratory research phase to prioritize important topics related to industry growth and segmentation.

Tasks undertaken in the research design process include:

- Defining information needs
- Designing exploratory, descriptive, and causal research methods

Research Process-

The research process consists of four interconnected steps:

- Identification of the research problem
- Formulation of an appropriate research design
- Implementation of the research design
- Dissemination of results

Each step involves a series of tasks and procedures characterized by their logical, systematic, reliable, valid, impersonal, and continuous nature.

Exploratory Research-

The approach employed for exploratory research includes both primary and secondary data sources.

a. Primary Data

Refers to new information collected specifically to address the current research problem. It includes qualitative or quantitative data obtained through surveys, focus groups, independent observations, or test results, directly from individuals during the research process.

b. Secondary Data

Comprises existing information collected for purposes other than the current research endeavor. Sources include census reports, trade publications, and subscription services. Internal secondary data comes from within the organization, while external data is sourced from outside sources like market research firms or government agencies.

The proposal begins with comprehensive secondary research to understand the industry's impact and implications, followed by further exploration of selected issues in the exploratory research phase.

Descriptive Research-

Descriptive research involves several sequential steps:

- I. Defining the research problem
- II. Determining the essential information required to tackle the problem
- III. Choosing or developing tools for data collection
- IV. Identifying the target population and creating a sampling strategy
- V. Planning the data collection process
- VI. Collecting the necessary data
- VII. Analysing the gathered data
- VIII. Formulating conclusions and/or predictive insights

Data Collection:

Data collection involved the administration of questionnaires, a widely utilized and cost-effective method. Verbal responses, whether written or oral, formed the basis of all questionnaire methods. Ensuring the questionnaire's clarity across diverse demographics was essential. To respect participants' time and energy, the questionnaire was designed to take 4-5 minutes to complete. These questionnaires were administered in person.

Firsthand information was gathered as individuals completed the questionnaires, constituting primary data collected through direct interactions. Respondents were approached at various locations, including shopping malls, markets, and areas near consumer durable product showrooms. A total of 100 respondents from diverse backgrounds, including housewives, students, businessmen, and professionals, completed the questionnaires, providing the necessary information. Direct engagement facilitated the acquisition of the required data.

Sample Plan And Sample Size:

Determining the sample plan and size involves understanding the target population, which comprises individuals for whom a program or intervention is intended. This group's accurate description focuses on demographic characteristics like age and gender, encompassing various segments such as adolescents, women, rural residents, or residents of specific areas.

Simple Random Sampling was chosen for sample selection. The sample size, driven by project objectives, data analysis methods, and available resources, aimed to survey 100 individuals aged above 21 years, reflecting diverse professional backgrounds in GURGAON. Further details on sample composition can be found in the "Primary Research" chapter.

Data Analysis And Interpretation:

1. Satisfaction towards Maruti Suzuki Satisfaction towards Maruti Suzuki

| Satisfied | Dissatisfied |
|-----------|--------------|
| 78% | 22% |

Analysis of a probabilistic sample reveals that 78% of customers expressed satisfaction with the Maruti Suzuki (ALTO&SWIFT) variant, while only 22% reported dissatisfaction with it. This suggests that a majority of respondents indicated satisfaction with the Maruti Suzuki (ALTO&SWIFT).

2. Factors influencing customer satisfaction with Maruti Suzuki.

| Factor | No. of Respondent | Percentage |
|---------------------|-------------------|------------|
| Features | 18 | 12% |
| Low Maintenance | 51 | 34% |
| Comfort | 27 | 18% |
| Style | 24 | 16% |
| After Sales Service | 30 | 20% |

Analysis of a probabilistic sample reveals that a majority of customers expressed satisfaction with the Maruti Suzuki (ALTO&SWIFT) variant, with 78% indicating satisfaction and only 22% reporting dissatisfaction. Additionally, a sample drawn on a probability basis shows that 34% of respondents consider low maintenance as the primary satisfaction factor for Maruti 800, followed by 20% who prioritize After Sales Service, 18% comfort, 16% style, and 12% features. These findings suggest that Maruti Suzuki should concentrate on enhancing low maintenance and after-sales services to meet customer expectations effectively.

3. Customer Perceptions Regarding Fuel Consumption.

| Factor | Percentage |
|---------------------|------------|
| Extremely Satisfied | 27% |
| Satisfied | 49% |
| Neutral | 17% |
| Dissatisfied | 7% |
| Total | 100% |

Analysis of respondent feedback reveals that 49% expressed satisfaction with the fuel consumption of the Maruti Alto, with 27% indicating extreme satisfaction, 17% remaining neutral, and the remaining 7% expressing dissatisfaction with the fuel consumption of the Maruti 800. While the majority of respondents are satisfied with the Maruti Alto's fuel consumption, it is crucial for the company to uphold this standard while also addressing the concerns of consumers who perceive fuel consumption as dissatisfying.

4. Customer Perceptions Regarding Safety and Comfort.

| Factor | Percentage |
|----------------------------------|------------|
| Extremely Satisfied | 23% |
| Satisfied | 47% |
| Neither Satisfied & Dissatisfied | 20% |
| Dissatisfied | 10% |
| Total | 100% |

Analysis of respondent feedback indicates that 47% expressed satisfaction with the safety and comfort features of the Maruti Swift, with 23% indicating extreme satisfaction, 20% remaining neutral, and the remaining 10% expressing dissatisfaction with this aspect. Given the majority of respondents are satisfied, it's essential for the company to uphold this standard while also addressing concerns from those who find this aspect dissatisfactory.

5. Customer Perspectives on Design.

| Factor | Percentage |
|---------------------|------------|
| Extremely Satisfied | 20% |
| Satisfied | 40% |
| Neutral | 27% |
| Dissatisfied | 13% |
| Total | 100% |

Analysis of respondent feedback reveals that 40% expressed satisfaction with the design of the Maruti Alto, with 20% indicating higher satisfaction, 27% remaining neutral, and 13% expressing dissatisfaction with its design. Given the majority of respondents are satisfied, it's crucial for the company to uphold this standard while also addressing concerns from those who perceive the design unfavorably.

6. Customer Perspectives on Space Availability in Maruti Alto.

| Factor | Percentage |
|----------------------------------|------------|
| More Satisfied | 27% |
| Satisfied | 53% |
| Neither Satisfied & Dissatisfied | 17% |
| Dissatisfied | 3% |
| Total | 100% |

Analysis of the sample drawn through probability reveals that among 100% of respondents, 53% expressed satisfaction with the space availability of the Maruti Alto, with an additional 27% indicating higher satisfaction, 17% remaining neutral, and 3% expressing dissatisfaction. With 80% of respondents expressing satisfaction, it suggests effective research and development by the company in this area. However, the 20% of respondents who expressed dissatisfaction may be comparing the vehicle with newer models in the same category.

7. Customer Satisfaction Regarding Maintenance of Maruti SWIFT

| Factor | Percentage |
|---------------------|------------|
| Extremely Satisfied | 23% |
| Satisfied | 51% |
| Neutral | 21% |
| Dissatisfied | 5% |
| Total | 100% |

Analysis of the probability sample shows that among all respondents, 51% expressed satisfaction with the maintenance of the Maruti Swift, with 23% indicating extreme satisfaction, 21% remaining neutral, and 5% expressing dissatisfaction. While a majority of customers are content with the low maintenance costs of the Swift, around 20% expressed dissatisfaction, possibly due to comparisons with newly launched competing brands offering even lower maintenance costs.

8. Customer Awareness Regarding Power Steering.

| Option | No. Of Respondent | No. Of Respondents (%) |
|--------------|-------------------|------------------------|
| Aware | 120 | 80% |
| Unaware | 30 | 20% |
| Total | 150 | 100% |

Analysis reveals that among all respondents, 80% were aware of the presence of power steering in certain variants of the Alto, while the remaining 20% were unaware. This indicates that the majority of respondents were informed about the introduction of power steering systems in specific Alto variants.

9. Customer Perceptions Regarding ALTO

| Very Good | Good | Average | Bad | Very Bad |
|-----------|------|---------|-----|----------|
| 20% | 47% | 21% | 12% | - |

Analysis of the probabilistically drawn sample reveals that among all respondents, 47% gave a positive response to the Alto. Additionally, 20% provided a highly positive response, 21% offered an average response, and 12% conveyed a negative response to the Alto.

Findings:

The analysis of customer survey data reveals several significant findings:

1. Maruti Suzuki demonstrates a high level of customer satisfaction, as detailed in Table 1 of the data analysis section.
2. The majority of customers are satisfied with Maruti Suzuki's low maintenance costs and after-sales service.
3. Fuel consumption is generally satisfactory to most customers.
4. Customers express satisfaction with various aspects including safety, comfort, design, space, and maintenance.
5. A notable proportion of Maruti users are aware of the presence of power steering in their vehicles.
6. Overall, satisfaction levels among customers regarding Maruti are notably high.
7. Maruti vehicles' features and style meet the satisfaction of the majority of customers.

Conclusion:

1. Maruti Suzuki dominates the SUV segment market share in Bihar.
2. The company's commitment to delivering quality services is reflected in the notable level of customer satisfaction.
3. Most customers are content with the design of Maruti Suzuki vehicles.

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