



Driving Consumer Behavior: Exploring The Impact of Advertising and Price Sensitivity on Automobile Purchases in The Nagpur Region - A Case Study of Maruti Suzuki Cars

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Abstract

With an emphasis on the Nagpur area and a case study of Maruti Suzuki vehicles, this research explores the complex interplay between advertising, price sensitivity, and customer behaviour in the automotive sector. Understanding the factors that influence customer decisions is crucial for those involved in the automobile business, which is seeing rapid changes in consumer tastes and market dynamics. This research seeks to shed light on the intersection of advertising techniques and price sensitivity in influencing customer purchase habits in the Nagpur automobile market. It employs a mixed-methods approach, including surveys, interviews, and data analysis. This research aims to offer valuable insights for marketers, policymakers, and industry players by studying how consumers perceive, react to, and behave towards Maruti Suzuki cars in response to advertising stimuli and price fluctuations. The goal is to help them navigate the competitive landscape and improve their market positioning.

Keywords – Consumer behaviour, Advertising, Price sensitivity, Automobile industry, Market dynamics

Introduction

When it comes to adapting to customers' ever-changing wants and needs, few industries are as fast-paced and cutthroat as the automobile business. In this context, it is crucial for marketers and car companies to comprehend the complexities of customer behaviour, especially as it relates to advertising and price sensitivity. These dynamics are especially noticeable in the Nagpur area, an important participant in India's car industry, where customers have different tastes and are price sensitive to different degrees.

In Nagpur, the market share of Maruti Suzuki—a major player in the Indian car industry—is rather high. Advertising techniques and price sensitivity may be studied by looking at this case study, which focuses on consumer behaviour in the area. While price sensitivity determines how customers react to changes in pricing methods, advertising has a significant impact on how consumers perceive products and services and their purchase choices. In order to create successful marketing strategies and keep their competitive advantage, manufacturers must understand the interaction between these components.

In light of the above, the purpose of this research is to examine the factors influencing automobile buyers in the Nagpur market, with an emphasis on Maruti Suzuki models. This research aims to provide marketers, legislators, and manufacturers valuable information by studying the impact of price sensitivity on consumer decision-making and the success of advertising efforts. This research intends to help shed light on the intricacies of the Nagpur automobile market and provide a foundation for well-informed strategic decision-making by conducting a thorough examination of customer perceptions, attitudes, and purchase behaviours.

Literature review

The automotive industry represents a complex ecosystem shaped by various factors, including consumer behavior, advertising strategies, and price sensitivity. This literature review synthesizes existing research to provide insights into these key dimensions within the context of the Nagpur automotive market, with a specific focus on Maruti Suzuki cars.

Research on consumer behavior in the automotive industry emphasizes the multifaceted nature of purchasing decisions, influenced by factors such as brand reputation, product features, and socio-economic background (Kotler & Armstrong, 2019). In Nagpur, consumers exhibit diverse preferences, ranging from fuel efficiency and affordability to brand loyalty and aesthetics.



Advertising plays a crucial role in shaping consumer perceptions and influencing purchase intentions within the automotive sector (Sheth & Sharma, 2020). Effective advertising campaigns create brand awareness, highlight product features, and evoke emotional responses, ultimately driving consumer engagement and preference (Belch & Belch, 2020). However, the effectiveness of advertising may vary based on factors such as message appeal, media channels, and target audience characteristics.

Price sensitivity refers to the degree to which consumers respond to changes in price levels (Monroe, 1990). In the automotive industry, price sensitivity varies across market segments and consumer demographics, with factors such as income level, perceived value, and competitor pricing influencing purchasing decisions (Nagle & Holden, 1995). Understanding price sensitivity is crucial for automakers to develop pricing strategies that balance profitability with consumer affordability.

Maruti Suzuki, India's leading automotive manufacturer, holds a significant market share in Nagpur, owing to its diverse product portfolio, strong brand reputation, and extensive dealership network (Maruti Suzuki India Limited, 2021). The company's marketing strategies, including advertising campaigns and pricing policies, play a key role in shaping consumer perceptions and driving sales in the region.

Despite its growth potential, the Nagpur automotive market faces challenges such as increasing competition, changing consumer preferences, and regulatory changes (Mishra & Rana, 2018). However, there are also opportunities for automakers to capitalize on emerging trends such as electric vehicles, digitalization, and sustainable mobility solutions.

In summary, the literature highlights the complex interplay between consumer behavior, advertising effectiveness, and price sensitivity within the automotive industry, with implications for Maruti Suzuki's market positioning in Nagpur. By synthesizing existing research, this review sets the stage for further exploration of these dimensions in the context of the Nagpur automotive market, providing a foundation for the empirical investigation presented in this study.

Objectives of the study

- This study aims to delve into consumer preferences within the Nagpur automotive market, particularly focusing on the factors influencing their decisions when considering Maruti Suzuki cars.
- One of the primary objectives is to examine the effectiveness of advertising strategies employed by Maruti Suzuki in the Nagpur region.
- Another key objective is to assess the level of price sensitivity among consumers in the Nagpur automotive market, specifically concerning Maruti Suzuki cars.

Research methodology

The research methodology for this study will adopt a mixed-methods approach, combining both qualitative and quantitative techniques to achieve comprehensive insights into consumer behavior, advertising effectiveness, and price sensitivity within the Nagpur automotive market, with a specific focus on Maruti Suzuki cars. Initially, qualitative research methods such as focus group discussions and in-depth interviews will be conducted to explore consumer perceptions, preferences, and attitudes towards Maruti Suzuki vehicles, as well as their responses to advertising stimuli and pricing strategies. These qualitative insights will inform the development of a structured survey questionnaire, which will be administered to a larger sample of consumers to quantify their preferences, perceptions, and behaviors. Additionally, secondary data analysis will be conducted to gather information on market trends, competitor strategies, and regulatory dynamics. By triangulating findings from qualitative interviews, quantitative surveys, and secondary data analysis, this mixed-methods approach will provide a comprehensive understanding of the factors influencing consumer behavior and market dynamics in the Nagpur automotive market, ultimately informing strategic recommendations for Maruti Suzuki and other industry stakeholders.



Data analysis and discussion

Table 1 – the Impact of Advertising and Price Sensitivity

Scale Items of Advertisement	Mean	Std. Dev.
I Watch/ listen to advertisements	3.94	0.723
Advertisements stimulate me to purchase the product	3.86	0.771
Advertisements are necessary to attract the consumer towards the product	4.25	0.817
Advertisements motivate me to shift from one brand to another brand	3.72	0.914
Advertisements create awareness on consumers	4.04	0.769
Advertisements help me to recall the brand in my mind	3.99	0.776
I usually buy advertised product	3.55	0.965
Overall Average N = 150	3.95	0.546

Table 1 presents the impact of advertising on consumer behavior and perceptions within the Nagpur automotive market, focusing on Maruti Suzuki cars. The scale items assess various aspects of advertising effectiveness, including consumer engagement, purchase motivation, brand recall, and brand loyalty. The mean scores indicate a generally positive perception of advertising among consumers, with high ratings across most scale items. Particularly noteworthy is the high mean score for the item "Advertisements are necessary to attract the consumer towards the product" (Mean = 4.25), suggesting that consumers perceive advertising as an essential tool for product promotion and brand awareness. Additionally, the overall average mean score of 3.95 indicates a strong positive sentiment towards advertising in general. However, some variability is observed in mean scores across scale items, reflecting differing levels of consumer response to specific aspects of advertising. Overall, these findings highlight the significant impact of advertising on consumer behavior and underscore the importance of effective advertising strategies for Maruti Suzuki and other automotive manufacturers operating in the Nagpur market.

Table 2 Overall Mean and Standard Deviation of Variables

Variable Items	Mean	Std. Dev.
Advertisement	3.951	0.546
Price	3.744	0.761

Table 2 provides an overview of the overall mean and standard deviation of variables related to advertising and price sensitivity in the Nagpur automotive market, with a focus on Maruti Suzuki cars. The variable "Advertisement" encompasses consumer perceptions and attitudes towards advertising effectiveness, as measured by various scale items assessing engagement, purchase motivation, brand recall, and brand loyalty. The mean score of 3.951 indicates a generally positive perception of advertising among consumers, with a relatively low standard deviation of 0.546, suggesting minimal variability in responses across the sample. On the other hand, the variable "Price" reflects consumer sensitivity to pricing strategies, including responses to price fluctuations, discounts, and incentives offered by Maruti Suzuki. The mean score of 3.744 indicates moderate price sensitivity among consumers, with a slightly higher standard deviation of 0.761, indicating some variability in responses regarding price-related factors. Overall, these findings provide valuable insights into consumer perceptions and behaviors regarding advertising and price sensitivity, offering implications for marketing strategies and business decision-making in the automotive industry.

The findings from the analysis of advertising and price sensitivity variables provide valuable insights into consumer behavior within the Nagpur automotive market, particularly concerning Maruti Suzuki cars. This discussion aims to interpret and contextualize these findings, exploring their implications for marketing strategies and business decisions in the automotive industry.



Firstly, the high mean score for the variable "Advertisement" underscores the significant impact of advertising on consumer perceptions and attitudes. Consumers perceive advertising as an essential tool for brand promotion, awareness creation, and brand recall. This suggests that effective advertising campaigns play a crucial role in shaping consumer preferences and influencing purchase decisions in favor of Maruti Suzuki cars. Marketers can leverage this positive perception of advertising to develop compelling and persuasive advertising messages that resonate with target consumers, ultimately driving brand engagement and loyalty.

However, it is essential to recognize the variability in responses across different aspects of advertising effectiveness. While consumers may generally perceive advertising positively, there may be variations in the effectiveness of specific advertising strategies or messages. Marketers should conduct further research to identify the most impactful advertising channels, messages, and formats for reaching target consumers effectively. Additionally, continuous monitoring and evaluation of advertising campaigns are crucial to ensure alignment with consumer preferences and market trends.

On the other hand, the moderate level of price sensitivity, as indicated by the mean score for the variable "Price," suggests that consumers in the Nagpur automotive market are moderately responsive to changes in pricing strategies. While price plays a role in influencing purchase decisions, it may not be the sole determinant for consumers when considering Maruti Suzuki cars. This indicates that factors such as product features, brand reputation, and perceived value also influence consumer choices alongside pricing considerations.

For Maruti Suzuki and other automotive manufacturers, understanding consumer price sensitivity is essential for developing competitive pricing strategies that balance profitability with consumer affordability. By offering transparent pricing, value-added features, and attractive incentives, automakers can mitigate consumer price sensitivity and enhance the perceived value proposition of their products.

Overall, the findings underscore the importance of integrating effective advertising strategies with competitive pricing policies to drive consumer engagement and market share growth in the Nagpur automotive market. By aligning marketing efforts with consumer preferences and market dynamics, automakers can strengthen their competitive position and achieve sustainable growth in the highly competitive automotive industry.

Conclusion

In conclusion, this study provides valuable insights into consumer behavior, advertising effectiveness, and price sensitivity within the Nagpur automotive market, with a specific focus on Maruti Suzuki cars. The findings reveal that consumers perceive advertising positively, considering it essential for brand promotion, awareness creation, and brand recall. While advertising plays a significant role in shaping consumer preferences and driving brand engagement, there are variations in the effectiveness of specific advertising strategies and messages.

Additionally, the study highlights moderate price sensitivity among consumers, indicating that pricing considerations influence purchase decisions alongside other factors such as product features and brand reputation. Understanding consumer price sensitivity is crucial for automakers to develop competitive pricing strategies that balance profitability with consumer affordability.

Overall, the study underscores the importance of integrating effective advertising strategies with competitive pricing policies to drive consumer engagement and market share growth in the Nagpur automotive market. By aligning marketing efforts with consumer preferences and market dynamics, automakers can strengthen their competitive position and achieve sustainable growth in the highly competitive automotive industry.

Moving forward, further research could explore the long-term effects of advertising and pricing strategies on consumer behavior and market dynamics. Additionally, comparative studies across different automotive brands and regions could provide deeper insights into the factors driving consumer preferences and purchase decisions in the automotive industry. Ultimately,



by continuously monitoring consumer trends and adapting marketing strategies accordingly, automakers can remain responsive to changing consumer demands and maintain their competitive edge in the marketplace.

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