

## **Accelerating Sales Growth: Examining The Interplay Between Advertising, Price Sensitivity, And Consumer Behavior In The Nagpur Automotive Sector - A Study Of Maruti Suzuki Vehicles**

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### **Abstract**

Using Maruti Suzuki cars as an example, this study delves into the complex web of relationships between price sensitivity, advertising effectiveness, and customer behaviour in the Nagpur car market. Maintaining sales growth and a competitive advantage is a problem for Maruti Suzuki, a prominent participant in the Indian automobile industry, as it must navigate customer preferences and market dynamics. Using a combination of survey data, interview transcripts, and statistical analysis, this research seeks to answer this question by illuminating the factors that influence car buyers' actions in Nagpur. The first part of the study looks at how advertising makes people feel and think about Maruti Suzuki cars. The effectiveness of advertisements, the desire to buy, and the ability to remember brands are all measured by means of interviews and surveys administered to the general public. The research also looks at how price sensitive customers are by examining how they react to Maruti Suzuki's pricing tactics, sales, and incentives. Insights gained from this study will help industry players like Maruti Suzuki improve their marketing tactics and boost sales in the Nagpur car market. Automakers may improve their marketing strategies to reach their target customers more effectively by learning how price sensitivity, advertising effectiveness, and consumer behaviour interact with each other. This knowledge will help them build stronger brand loyalty and engagement. In the end, this study adds to what is already known about automobile marketing by demonstrating, via data, what variables impact customer behaviour in the automotive industry in Nagpur. The study's findings may help car companies like Maruti Suzuki and others make better strategic decisions, such how to improve their marketing tactics to boost sales and compete better in Nagpur and beyond.

Keywords - Advertising, price sensitivity, consumer behavior, automotive sector, market dynamics, sales growth,

## Introduction

In response to customers' ever-shifting tastes, the automobile business is among the world's most exciting and cutthroat marketplaces. To keep their competitive advantage and continue sales development, manufacturers must understand the elements that influence customer behaviour. This is especially true in the Nagpur automotive industry, where Maruti Suzuki has a considerable market share. In this introductory section, we establish the groundwork for investigating the dynamics at work in the Nagpur automobile industry, particularly as they pertain to Maruti Suzuki cars, between the efficacy of advertisements, price sensitivity, and customer behaviour.

As a frontrunner in the Indian car industry, Maruti Suzuki must deal with complicated market factors such as fluctuating customer tastes, intense competition, and new regulations. In this light, Maruti Suzuki can't succeed without marketing tactics that reach its demographic and encourage participation in the brand.

When it comes to influencing consumers' opinions and ultimately their purchases, advertising is crucial. Advertising campaigns may increase customer involvement and preference for Maruti Suzuki automobiles by raising brand recognition, showcasing product attributes, and appealing to emotional reactions. Message appeal, media outlets, and characteristics of the target audience are a few variables that may affect how successful advertisements are.

Consumers' price sensitivity is an additional important aspect that impacts their behaviour in the car industry. The effectiveness of Maruti Suzuki's pricing schemes, promotions, and incentives in influencing consumers' buying choices is substantial. In order to create competitive pricing strategies that combine profitability with customer affordability, Maruti Suzuki must understand the degree of price sensitivity among consumers.

In light of the above, the purpose of this research is to investigate the dynamics at work in the Nagpur car market with regard to the relationship between advertising efficacy, price sensitivity, and customer behaviour. This study aims to understand the underlying reasons driving customer behaviour and purchase choices for Maruti Suzuki automobiles by adopting a mixed-methods approach that includes surveys, interviews, and data analysis. In the end, Maruti Suzuki and other industry players will be able to use this study's findings to make better strategic decisions, leading to faster sales growth and stronger market competition in Nagpur and beyond via improved marketing.

## Literature review

Product quality and pricing are two of the most important factors in modern marketing, affecting both buyers and sellers. In most cases, consumers look at price as a measure of a product's quality and consider the perceived value of the offering in relation to the cost.

Customers' attitudes and purchase decisions might be influenced by price (Alfred, 2013). One component of the marketing mix that generates income is pricing, say Kotler and Armstrong (1996). Whatever the actual or prospective value of a product, service, or concept, its price is the amount at which it is traded or offered for sale.

Researchers Pal and Pal (2019) looked at how ads made people act. Examining how advertisements influence consumers' purchasing decisions was the primary goal of the research. Consumer purchasing behaviour served as the dependent variable, whereas internet advertising, product familiarity, brand image, and ad format acted as the independent factors. The results of this research demonstrated that advertisements had a substantial impact on consumers' purchasing decisions. The billboard also gave information regarding price discounts and products, which customers also follow.

Sunderraj (2018) conducted research in Sivakasi to determine the effect of ads on customer behaviour. The primary aim was to examine how ads influence consumers' purchasing decisions. Advertising, age, income, and level of education served as independent factors, while purchasing behaviour served as the dependent variable. According to the results, the influence of ads is consistent across all student age groups, and they do an excellent job of highlighting the items' positive attributes, which ultimately leads to more informed purchasing decisions.

The effect of advertisements on buying habits was studied by Shafi (2017). The Ponnani Municipality in Kerala was used as a case study. The research set out to investigate the positive impacts of advertising on consumers. Level of satisfaction, customer choice pattern, education, income, age, and gender were some of the factors used in the research. The research indicated that students are highly persuaded by advertisements to buy a wide range of innovative things, and that women spend more money on cosmetics. The research found that advertisements, which educate and remind customers about the product, are the most influential determinants in consumer behaviour.

The effect of media advertising on consumers' purchasing behaviour was quantified by Ammoura (2016). Examining how advertisements in various media affect consumers' purchasing decisions was the primary goal of the research. Media ads, internet ads, and television ads served as independent variables, while consumer purchasing behaviour served as the dependent variable. Websites that cater to the correct demographic—one that takes into account factors like age, gender, lifestyle, literacy, tasks, preferences, expectations, wants, and demands—are crucial. The ads will go unnoticed by the target audience if this is not addressed. Furthermore, the research found that commercials have an impact on consumers' purchasing choices when they are both informational and effective.

The effect of advertisements on consumers' purchasing habits was the subject of research by Dulin (2016). Finding out which advertising strategies influence consumers' purchasing decisions was the primary goal of the research. Advertising, product features and quality, initial entrance of product, popularity, and familiarity were the independent factors, whereas consumer purchasing behaviour was the dependent variable. Emotional appeals in advertising and the impact of advertising on consumers were also shown in the research.

The influence of successful advertising on consumers' purchasing habits was quantified by Arshad et al. (2014). Emotional reactions after the viewing of persuasive advertising for consumer purchases were the focus of the research. Based on the results, it's clear that ads that really hit home with customers are the ones driving sales of promoted mobile phone sets. The impact of advertisements on consumers' purchasing habits was studied by Ampofo (2014). The research set out to do just that—look at how advertising influences people to make purchases. Consumers' decisions to buy were the dependent variable, whereas factors such as advertising, income, price, cosmetic brand, and recommendations from others were the independent variables. Research shows that advertisements have an effect on people's decisions to buy beauty items. Discounts have an effect on consumers' decisions to buy cosmetics, according to the research.

Advertisements have an effect on consumers' attitudes and actions in relation to consumer durables, according to Rai (2013). Finding out how commercials affect consumers' actions and perspectives on long-term goods was the primary goal of the research. Advertising and customer sentiments served as independent factors, while consumer purchasing behaviour served as the dependent variable. It was discovered that advertisements had an effect on consumers' purchasing habits and attitudes.

Advertising on television and the purchasing habits of youngsters were the subjects of study by Priya et al. (2010). The primary goal of the research was to determine how children's perceptions of commercials on television affect their purchasing habits. The research confirmed that commercials affect sales of the promoted goods and provided insight into how children's cognitive development across age groups causes them to react differently to adverts.

### **Objectives of the study**

- This study aims to evaluate the impact of advertising on consumer perceptions and attitudes towards Maruti Suzuki vehicles in the Nagpur automotive sector.
- Another key objective is to assess the level of price sensitivity among consumers in the Nagpur automotive market concerning Maruti Suzuki vehicles.
- The study seeks to gain insights into consumer behavior within the Nagpur automotive sector, particularly concerning Maruti Suzuki vehicles.

## Research methodology

Using a mixed-methods research strategy, this study delves deeply into the dynamics of advertising efficacy, price sensitivity, and consumer behaviour in the Nagpur automotive industry, concentrating on Maruti Suzuki automobiles in particular. In order to fully grasp the study goals, the approach incorporates both quantitative and qualitative methodologies. In the first step, we will use quantitative approaches to collect numerical data on the efficacy of advertisements and the sensitivity of customers to prices in the Nagpur area. This will be done by means of structured surveys. Maruti Suzuki's advertising campaigns and pricing strategies will be evaluated via the use of Likert-scale questions in these surveys. Furthermore, in order to discover associations between variables, quantitative data analysis methods including regression and correlation analysis will be used. To go even farther into customer habits and tastes, we will use qualitative techniques like focus groups and in-depth interviews. With the help of these qualitative methods, the quantitative results will be better understood in context. The goal of this mixed-methods approach is to provide Maruti Suzuki and other industry players with strategic suggestions based on a deeper understanding of the dynamics of the automotive business in Nagpur, India, by combining quantitative and qualitative data.

## Data analysis and discussion

**Table 1 – Pricing sensitivity**

Scale Items of Price	Mean	Std. Dev.
I am willing to purchase high priced product	3.39	0.944
I may buy fake brand with lower price	3.26	1.108
I prefer to buy products during sales seasons	3.81	0.803
I always bargain when buying a product	3.89	0.928
Price discount changes my attitude and purchase intention	4.37	0.911
Overall Average N=150	3.74	0.761

Table 1 presents the results of the pricing sensitivity assessment conducted as part of this study. The scale items of price sensitivity were measured using Likert-scale questions, and the mean and standard deviation values are provided to indicate the central tendency and variability of responses, respectively, among the sample of 150 participants.

The mean scores indicate the level of agreement or disagreement with each pricing sensitivity statement. A mean score closer to 5 indicates a higher agreement with the statement, while a score closer to 1 indicates a lower agreement.

Overall, the analysis reveals moderate to high levels of pricing sensitivity among consumers in the Nagpur automotive sector. Participants expressed a willingness to purchase high-priced products (Mean = 3.39) and indicated a preference for buying products during sales seasons

(Mean = 3.81), suggesting sensitivity to price fluctuations and promotional offers. Additionally, participants demonstrated a tendency to bargain when making purchases (Mean = 3.89), highlighting a price-conscious behavior prevalent among consumers.

Furthermore, the analysis indicates that price discounts significantly influence consumers' attitudes and purchase intentions, as evidenced by the high mean score of 4.37 for the statement "Price discount changes my attitude and purchase intention." This finding underscores the importance of pricing strategies, discounts, and incentives in influencing consumer behavior and purchase decisions within the Nagpur automotive sector.

Overall, the findings suggest that pricing sensitivity plays a critical role in shaping consumer behavior and purchase decisions in the Nagpur automotive market. Automakers, including Maruti Suzuki, need to consider consumers' price-conscious attitudes and preferences when developing pricing strategies and promotional offers to remain competitive and drive sales growth in the market.

**Table 2 Correlation analysis**

		Advertisement	Price	CPD
Advertisement	Correlation	1		
	p-value			
Price	Correlation	0.374	1	
	p-value	0.001		
CPD	Correlation	0.273	0.257	1
	p-value	0.003	0.004	

Table 2 presents the results of the correlation analysis conducted to examine the relationships between advertising effectiveness (Advertisement), price sensitivity (Price), and consumer behavior (CPD) in the Nagpur automotive sector. The correlation coefficients and corresponding p-values are provided to assess the strength and significance of these relationships.

The analysis reveals several noteworthy findings:

**Advertisement and Price:** A moderate positive correlation is observed between advertising effectiveness and price sensitivity, with a correlation coefficient of 0.374 ( $p < 0.001$ ). This indicates that there is a tendency for consumers who perceive advertisements positively to also exhibit higher levels of price sensitivity. Conversely, those who are less responsive to advertising may demonstrate lower levels of price sensitivity. This finding suggests a potential interplay between advertising perceptions and price-conscious consumer behavior.

Advertisement and CPD: The correlation analysis shows a positive correlation between advertising effectiveness and consumer behavior (CPD), albeit a weaker one compared to the correlation with price sensitivity. The correlation coefficient between Advertisement and CPD is 0.273 ( $p = 0.003$ ), indicating a modest relationship between consumers' perceptions of advertising and their purchasing behavior. This suggests that while advertising may influence consumer behavior to some extent, other factors beyond advertising effectiveness may also play significant roles in shaping consumer decisions.

Price and CPD: A moderate positive correlation is found between price sensitivity and consumer behavior (CPD), with a correlation coefficient of 0.257 ( $p = 0.004$ ). This indicates that consumers who exhibit higher levels of price sensitivity are more likely to demonstrate specific purchasing behaviors, such as seeking discounts, comparing prices, or bargaining. Price sensitivity appears to be a significant determinant of consumer behavior in the Nagpur automotive market, highlighting the importance of pricing strategies in influencing purchasing decisions.

Overall, the correlation analysis provides valuable insights into the relationships between advertising effectiveness, price sensitivity, and consumer behavior in the Nagpur automotive sector. These findings underscore the interconnected nature of these variables and emphasize the need for integrated marketing strategies that consider both advertising and pricing dynamics to effectively drive consumer engagement and sales growth in the market.

## Conclusion

In conclusion, this study provides valuable insights into the interplay between advertising effectiveness, price sensitivity, and consumer behavior within the Nagpur automotive sector, with a specific focus on Maruti Suzuki vehicles. The findings indicate moderate to high levels of pricing sensitivity among consumers, with preferences for discounted products and sales seasons. Additionally, positive correlations are observed between advertising effectiveness and price sensitivity, as well as between price sensitivity and consumer behavior. While advertising perceptions may influence consumer behavior to some extent, pricing strategies play a significant role in shaping purchasing decisions. These insights underscore the importance of integrated marketing strategies that consider both advertising and pricing dynamics to effectively drive consumer engagement and sales growth in the competitive Nagpur automotive market. For Maruti Suzuki and other industry stakeholders, understanding and responding to consumer preferences and market dynamics are essential for maintaining a competitive edge and sustaining growth in the ever-evolving automotive landscape.

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