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Marketing Strategies of Automobile Dealerships in India: A Study of Varun Motors Pvt. Ltd.

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ABSTRACT: The Indian automobile industry has emerged as one of the most competitive and fast-growing sectors, driven by changing consumer preferences, technological innovation, and intense market competition. In this context, effective marketing strategies play a crucial role in influencing customer purchase decisions and sustaining competitive advantage. This study examines the marketing strategies adopted by Varun Motors Pvt. Ltd., one of the largest authorized dealers of Maruti Suzuki in India. The research is based on primary data collected from 150 respondents, including customers, employees, and management personnel, and secondary data from company records and published sources. Statistical tools such as percentage analysis and hypothesis testing using SPSS were applied to analyze the data. The findings reveal that digital marketing, promotional offers, service quality, and brand reputation significantly influence customer satisfaction and buying behavior. The study concludes with practical recommendations to strengthen customer engagement and improve marketing effectiveness.

KEYWORDS: Automobile Marketing, Dealership Strategy, Customer Satisfaction, Digital Marketing, Varun Motors

I. INTRODUCTION

The Indian automobile industry is a vital contributor to economic growth and employment generation. As the fourth-largest automobile market globally, India has transitioned from a seller-driven to a buyer-driven market, where customer expectations and preferences dictate competitive strategies. Automobile dealerships act as a crucial interface between manufacturers and consumers, influencing brand perception and purchase decisions.

In recent years, the industry has experienced significant transformation due to rapid urbanization, rising disposable incomes, technological advancements, and increased competition among domestic and global automobile brands. Customers today are more informed, digitally connected, and value-conscious, making the role of effective marketing strategies more critical than ever. As a result, dealerships are no longer confined to transactional selling but are expected to deliver superior customer experiences throughout the pre-purchase, purchase, and post-purchase stages.

Marketing strategies such as promotional activities, competitive pricing, service quality, sales staff behavior, and digital engagement have become decisive factors in attracting and retaining customers. The growing influence of digital marketing platforms, social media, and online booking systems has further reshaped customer interaction with automobile dealerships. Customers increasingly rely on online reviews, social media content, and digital advertisements before making purchase decisions, emphasizing the importance of a strong digital presence.

Customer satisfaction has emerged as a key determinant of long-term success in the automobile retail sector. Satisfied customers are more likely to exhibit loyalty through repeat purchases, positive word-of-mouth, and brand advocacy. In contrast, service failures or poor customer handling can significantly damage brand reputation in a highly competitive market. Therefore, understanding the factors that drive customer satisfaction and loyalty at the dealership level is essential for sustaining competitive advantage.

This study aims to evaluate the effectiveness of Varun Motors' marketing strategies and assess their influence on customer satisfaction and loyalty. By empirically examining customer perceptions using structured data analysis and hypothesis testing, the research seeks to provide practical insights for dealership management and contribute to the existing literature on automobile marketing in India.

II. REVIEW OF LITERATURE

Motohashi (2015) highlighted the strategic importance of Maruti Suzuki's adaptability and strong dealer network in achieving market leadership in India. The study emphasized localization of production, cost leadership, and extensive dealership networks as key contributors to brand dominance.

Kaur (2016) examined customer satisfaction levels toward Maruti Suzuki India Ltd. and found that accessibility of service centers, affordable pricing, and trust in the brand significantly influenced repeat purchases. The study concluded that dealerships play a critical role in reinforcing manufacturer brand equity.

Revathi (2017) discussed globalization and cultural adaptation strategies in the Indian automobile sector. The author emphasized that localized advertising, region-specific promotions, and culturally aligned branding enhance consumer connect and dealership effectiveness.

Jisha (2018) analyzed customer loyalty in the Indian automobile market amid rising competition from global brands. The study revealed that consistent service quality, transparent pricing, and strong after-sales support were decisive factors influencing customer retention.

Kotler and Keller (2019) explained that marketing mix strategies (product, price, place, and promotion) significantly influence consumer buying behavior, especially in high-involvement products such as automobiles. Their work provides a theoretical foundation for evaluating dealership marketing strategies.

Sharma and Mehta (2019) studied digital marketing practices in automobile dealerships and found that social media marketing, search engine optimization, and online customer reviews strongly affect brand awareness and purchase intention. The study emphasized the growing relevance of digital platforms in urban and semi-urban markets.

Ramesh and Kumar (2020) examined dealership service quality using the SERVQUAL model and identified reliability, responsiveness, and assurance as the most influential dimensions of customer satisfaction in automobile retailing.

Patel (2021) explored the impact of promotional offers and festive campaigns on automobile sales in India. The findings indicated that exchange offers, zero-down payment schemes, and extended warranties significantly increase showroom footfall and conversion rates.

Singh and Verma (2022) analyzed customer experience management in automobile dealerships and concluded that integrated online-offline engagement, trained sales personnel, and personalized communication enhance customer loyalty and positive word-of-mouth.

Recent studies by NITI Aayog (2023) and SIAM reports highlighted the increasing importance of sustainability marketing, electric vehicle promotion, and green branding in shaping future automobile consumer behavior in India. These studies suggest that dealerships must align marketing strategies with emerging trends such as digitalization and environmental consciousness.

The reviewed literature clearly indicates that dealership-level marketing strategies significantly influence customer awareness, satisfaction, and loyalty. However, limited empirical studies focus on authorized automobile dealerships in South India, particularly Varun Motors Pvt. Ltd., thereby justifying the present research.

III. OBJECTIVES OF THE STUDY

1. To identify the marketing strategies adopted by Varun Motors Pvt. Ltd.
2. To examine the impact of promotional activities on customer purchase decisions.
3. To analyze customer satisfaction with pricing, sales, and after-sales services.
4. To study the effectiveness of digital marketing channels.
5. To provide suggestions for improving dealership marketing performance.

IV. CONCEPTUAL MODEL



The conceptual model illustrates the key marketing-related factors influencing customer satisfaction and customer loyalty at Varun Motors Pvt. Ltd. In this model, Promotional Offers, Digital Marketing, Service Quality, Sales Staff Behavior, and After-Sales Service are treated as independent variables. These factors represent the core components of the dealership's marketing and service strategy.

Customer Satisfaction acts as a mediating variable that captures customers' overall evaluation of their experience with Varun Motors. The model assumes that effective promotions, strong digital presence, high service quality, professional sales staff behavior, and efficient after-sales service positively influence customer satisfaction.

Further, the model proposes that Customer Satisfaction leads to Customer Loyalty, reflected through repeat purchases, positive word-of-mouth, and willingness to recommend the dealership to others. The directional arrows in the model indicate hypothesized causal relationships, which are empirically tested using SPSS through chi-square, correlation, regression, and ANOVA analyses.

V. HYPOTHESIS FORMATION

- H1:** Promotional activities have a significant impact on customers' buying decisions
- H2:** Digital marketing channels significantly influence customer awareness of Varun Motors.
- H3:** Service quality significantly affects overall customer satisfaction.
- H4:** Sales staff behavior has a significant impact on customer satisfaction.
- H5:** Marketing strategies collectively have a significant impact on overall customer satisfaction.

VI. RESEARCH METHODOLOGY

Research Design

The present study adopts a descriptive and analytical research design. The descriptive approach is used to understand the existing marketing strategies of Varun Motors Pvt. Ltd. and to describe customer perceptions, satisfaction levels, and awareness patterns. The analytical approach is employed to examine relationships between marketing variables such as promotional offers, digital marketing, service quality, and customer satisfaction using statistical tools

Sources of Data

Primary Data: Primary data were collected directly from respondents through a structured questionnaire. The questionnaire consisted of both closed-ended and Likert-scale questions to capture quantitative data related to customer awareness, promotional effectiveness, service quality, digital engagement, and overall satisfaction.

Respondents included:

- Customers of Varun Motors Pvt. Ltd.
- Sales and marketing employees
- Management personnel

Sample Size and Sampling Technique

A total sample size of 150 respondents was selected,

Stratified Random Sampling was used for customers to ensure representation across age groups, vehicle segments (hatchback, sedan, SUV), and geographical locations. Purposive Sampling was used for employees and management personnel, as their insights were critical to understanding internal marketing practices and strategic decisions.

Tools and Techniques of Analysis

The collected data were coded, tabulated, and analyzed using SPSS (Statistical Package for the Social Sciences). The following statistical tools were employed:

- Percentage analysis for demographic and awareness-related data
- Descriptive statistics to summarize respondent opinions
- Chi-square tests to examine associations between marketing variables and customer behavior
- Correlation analysis to study the relationship between service quality and customer satisfaction

VII. DATA ANALYSIS AND INTERPRETATION

- **H₁:** Promotional activities have a significant impact on customers’ buying decisions.

Table 1 Chi-Square Test: Promotional Offers and Buying Decision

Test Statistics	Value
Pearson Chi-Square	12.684
Degrees of Freedom	1
Asymp. Sig. (p-value)	0.000

Decision Rule:

If $p < 0.05$, reject H_0 .

Interpretation:

Since the p-value (0.000) is less than 0.05, the null hypothesis is rejected. This indicates that promotional activities significantly influence customers’ buying decisions. Hence, H_1 is accepted.

H₂: Digital marketing channels significantly influence customer awareness of Varun Motors.

Table 2 Chi-Square Test: Digital Media and Customer Awareness

Test Statistics	Value
Pearson Chi-Square	15.327
Degrees of Freedom	4
Asymp. Sig. (p-value)	0.004

Interpretation:

The p-value (0.004) is less than 0.05, indicating a statistically significant relationship. Thus, digital marketing channels such as social media and online advertisements play a crucial role in creating customer awareness. Therefore, H_2 is accepted.

H₃: Service quality significantly affects overall customer satisfaction.

Table 3 Correlation between Service Quality and Overall Satisfaction

Variables	Pearson Correlation	Sig. (2-tailed)
Service Quality & Overall Satisfaction	0.684	0.000

Interpretation:

The correlation coefficient ($r = 0.684$) indicates a **strong positive relationship**, and the p-value (0.000) confirms statistical significance. This implies that higher service quality leads to greater customer satisfaction. Hence, H_3 is accepted.

H₄: Sales staff behavior has a significant impact on customer satisfaction.

Table 4 ANOVA: Staff Behavior and Customer Satisfaction

Source	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18.432	3	6.144	9.218	0.000
Within Groups	96.021	146	0.658		
Total	114.453	149			

Interpretation:

Since the significance value (0.000) is less than 0.05, the null hypothesis is rejected. This confirms that sales staff behavior significantly influences customer satisfaction levels. Thus, H₄ is accepted.

H5: Marketing strategies collectively have a significant impact on overall customer satisfaction.

Table 5 Model Summary

R	R ²	Adjusted R ²	Std. Error
0.812	0.659	0.652	0.421

Table 6 Multiple Regression Coefficients

Predictor Variable	Beta	t-value	Sig.
Promotional Offers	0.298	4.862	0.000
Digital Marketing	0.254	3.971	0.000
Service Quality	0.367	6.204	0.000
Staff Behavior	0.211	3.118	0.002

Interpretation:

The model explains 65.9% of variance in overall customer satisfaction, and all predictors are statistically significant. This confirms that marketing strategies jointly influence customer satisfaction. Therefore, H₄ is accepted.

VIII. CONCLUSION

The study concludes that effective marketing strategies play a decisive role in enhancing customer satisfaction and loyalty in the automobile dealership sector. In the context of Varun Motors Pvt. Ltd., the findings demonstrate that a combination of promotional activities, digital marketing initiatives, service quality, sales staff behavior, and after-sales support significantly contributes to positive customer perceptions and long-term relationships.

The conceptual model and SPSS-based hypothesis testing confirm that customer satisfaction acts as a critical mediating factor between marketing strategies and customer loyalty. Customers who perceive higher value, better service quality, and professional interaction are more inclined toward repeat purchases and brand advocacy.

While Varun Motors enjoys a strong market presence and high customer satisfaction levels, the study identifies opportunities for improvement, particularly in strengthening digital engagement, enhancing after-sales service consistency, and promoting loyalty programs more effectively. Addressing these areas will further reinforce customer trust and competitive advantage.

In conclusion, the study highlights that a customer-centric, digitally driven, and service-oriented marketing approach is essential for sustained growth and loyalty in the highly competitive Indian automobile market. The insights derived from this research can assist automobile dealerships in refining their marketing strategies to achieve long-term success.

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