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## **A STUDY ON CUSTOMERS PERCEPTION AND IMPACT OF WORD OF MOUTH MARKETING FOR HONDA WITH SPECIAL REFERENCE TO SUNDARAM HONDA (P) LTD., SALEM**

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### **Abstract**

*Customers' perception and the impact of word-of-mouth marketing (WOMM) in contemporary consumer behavior. In an era of heightened connectivity and information sharing, understanding how individuals perceive and engage with WOMM is paramount for businesses seeking to leverage this powerful marketing tool. The abstract examines various dimensions, including the cognitive processes underlying perception, the influence of social networks, and the effects on purchasing decisions and brand loyalty. Through a comprehensive literature review and empirical analysis, this research aims to elucidate the mechanisms driving WOMM effectiveness and its implications for businesses.*

**Keywords:** *Word of Mouth Marketing, Consumer Perception, Customer Attitudes, Trust.*

### **INTRODUCTION**

Customer satisfaction is the cornerstone of business success, driving repeat purchases and positive word of mouth. In today's competitive landscape, delivering high-quality service is essential for maintaining a sustainable competitive advantage. Word of mouth marketing, facilitated by satisfied customers, holds significant power in influencing purchasing decisions. Unlike traditional marketing, word of mouth relies on genuine consumer recommendations, which are perceived as more trustworthy and targeted. For automobile manufacturers, understanding market perception and measuring customers' willingness to recommend their products are critical factors in driving success.

### **OBJECTIVES OF THE STUDY**

- To study the factors influencing in purchase intention towards Honda.
- To study on the level of customer satisfaction in Honda.
- To understand the effectiveness of word of mouth marketing of the company.
- To analyse the perception towards brand Honda.

### **NEED OF THE STUDY**

The study analyzes customer perception and the impact of word-of-mouth marketing for Honda, specifically focusing on Sundaram Honda (P) Ltd., Erode. It highlights the importance of satisfying customers and building word-of-mouth marketing in today's competitive environment. Word-of-mouth marketing is identified as a vital tool for connecting with customers, reaching new audiences, and fostering brand loyalty.

### **SCOPE OF THE STUDY**

The scope of the study on customers' perception and impact of word of mouth marketing includes examining various factors such as the effectiveness of WOMM, its influence on consumer

behavior, and the role of trust and credibility in shaping customer attitudes. Additionally, it encompasses exploring the impact of WOMM on brand perception, loyalty, and purchase intentions. The study will utilize both qualitative and quantitative methods to gather insights from customers through surveys and interviews. It will focus on understanding how WOMM contributes to shaping consumer decision-making processes and its significance in contemporary marketing strategies.

**LIMITATIONS OF THE STUDY**

Limitations of the study on customer perception and the impact of word-of-mouth marketing for Honda, with a specific focus on Erode, include factors such as sample size constraints, location-specific findings, potential time limitations affecting long-term insights, methodological limitations in data collection, and the possibility of overlooking external influences. Additionally, resource constraints and biases in collected data may affect the study's comprehensiveness and generalizability to other contexts within the automotive industry.

**REVIEW OF LITERATURE**

Parthian and Rajendran (2014) study was carried on customer preference toward Honda. Main aim of this study was to understand the mind of customers whether they was eager and satisfied to handle. Even though most of the customers were satisfied with present model and service, few customers were not satisfied about the facilities provided by the car. If the Maruti car service providers give enough attention regarding this, they can ensure a large level of customer preference.

Akhila and Thayyullathi (2015) in his study on customer satisfaction toward Honda in Coimbatore found that majority of the respondents were using SUV (Sport utility vehicle) type cars. They found that Honda cars were the best and fast moving brands. There were increasing trend because of easy handling, safety, security and high performance, which makes the advanced technologies to adopt new model.

Suganthi and Renuka (2016) focused on data collected through convenience sampling of 200 consumers of Honda Swift car users of Udumalpet Taluk. Later the data was analysed with statistical tools like mean and the hypothesis was tested by using Chi-Square analysis. Honda Swift is most preferred brand by the majority of the customer. It is going to pose great challenges to other small cars in India. Most of the customers are satisfied with the mileage and fuel efficiency of the car and they preferred Honda Swift.

**RESEARCH METHODOLOGY**

**Research design:** Descriptive research design.

**Data collection:** Primary data collected through questionnaire.

**Sampling methods:** Simple random sampling.

**Sample size:** The sample size is 120.

**Tools used:** Simple percentage analysis, Chi-Square analysis, Correlation analysis.

**ANALYSIS AND INTERPRETATION**

**Simple percentage analysis**

The data analysis reveals various insights into customer demographics, preferences, and satisfaction levels regarding Honda cars at Sundaram Honda (P) Ltd., Erode. Most respondents were below 25 years old, predominantly male, and had an annual income between 1-3 Lac. Sedans were the most preferred type of car, with mileage being the primary reason for purchase. Word-of-mouth recommendations from friends and relatives significantly influenced purchase decisions. While there was a high satisfaction level with price and performance, complaints resolution methods and customer relationships with the company received mixed reviews. However, the majority expressed satisfaction with warranty and guarantee offerings.

**Chi- square analysis**

Relationship between the gender of the respondents and factors influencing

Test	Value	DF	p-value
Pearson	31.716 <sup>a</sup>	17	.016
Likelihood	40.395	17	.001
Linear-by-Linear	12.583	1	.000

**Result**

The analysis shows there is no significant relationship between the gender of the respondents and factors influencing in purchase intention.

**CORRELATION**

Relationship between age group of the respondents and perception towards the brand.

	Age group of respondents	Perception towards the brand
Pearson Correlation	1	0.075
Sig.(2-tailed)	-	0.417
N	120	120

**Result**

The Pearson correlation coefficient between age group of the respondents and perception towards the brand is 0.075. The p-value associated with this correlation coefficient is 0.417.

**FINDINGS****Simple percentage analysis**

The analysis of respondents' demographics and their perceptions revealed several noteworthy findings. Firstly, concerning age distribution, the majority of respondents were below 25 years old, comprising 42.5% of the sample, indicating a younger demographic's dominance in the study. Regarding gender, the majority were male, representing 58.3% of the respondents. In terms of annual income, most respondents fell within the 2-3 Lac range, comprising 30.8% of the sample. Sedans emerged as the preferred car type, favored by 39.2% of respondents. Mileage was the primary reason for brand selection, cited by 41.7% of respondents. Notably, word of mouth significantly influenced positive brand perception, with 38.3% strongly agreeing and 40.8% agreeing. However, complaints resolving methods received poor ratings from 47.5% of respondents, indicating potential areas for improvement in customer service. Additionally, the chi-square analysis revealed a significant relationship between gender and factors influencing purchase intention. Conversely, no significant correlation was found between age group and brand perception. These findings underscore the importance of understanding customer demographics and preferences to enhance marketing strategies and improve customer satisfaction.

**Chi- square analysis**

The analysis shows there is no significant relationship between the gender of the respondents and factors influencing in purchase intention.

**Correlation**

Pearson correlation coefficient between age group of the respondents and perception towards the brand is 0.075. The p-value associated with this correlation coefficient is 0.417.

**SUGGESTIONS**

The company should focus on comprehensive marketing efforts, including advertising across various channels and facilitating test drives for potential customers. Enhancing brand image and maintaining performance standards, particularly in mileage and pick-up, are crucial. Loyalty programs can incentivize previous customers to advocate for the brand. Empowering showroom executives and utilizing social media for promotions are essential. Pricing strategies should cater to diverse income groups, while excellent after-sales service is vital for customer satisfaction and positive word-of-mouth.

**CONCLUSION**

The research underscores the importance of customer satisfaction in driving word-of-mouth (WOM) marketing, especially in today's rapidly evolving technological landscape where messages can circulate globally in an instant. Despite organizations having limited control over the content of WOM, it remains a potent communication tool. With the rise of social media platforms like Facebook and Twitter, the impact of WOM has become even more pronounced, as satisfied or dissatisfied customers can swiftly spread their opinions. Hence, it is imperative for customer-centric organizations like Honda to prioritize customer satisfaction to foster positive WOM and mitigate negative sentiments.

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