

**A STUDY ON IMPACT OF WORD OF MOUTH IN CUSTOMERS
BUYING DECISION OF SHRI BHAVANI ASSOCIATE**

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

By

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SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE

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TO WHOMSOEVER IT MAY CONCERN

Sub- Summer Project Completion letter

We wish to confirm that **Miss. Anupriya N.P (Reg No- 41410029)**, who has completed first year MBA in Sathyabama Institute of Science and Technology, Chennai, has successfully completed the Marketing project in our concern titled "**A STUDY ON IMPACT OF WORD OF MOUTH IN CUSTOMERS BUYING DECISION OF SHRI BHAVANI ASSOCIATES**" from January 2023 to March 2023.

During this tenure with us, the student's conduct and behavior was observed to be good.

We wish success in all the future endeavors.

For Shri Bhavani Associates



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **N.P.ANUPRIYA 41410029** who carried out the project entitled "**A Study on Impact of Word of Mouth in Customers Buying Decision of Shri Bhavani Associate**" under my supervision from January 2023 to March 2023.

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DECLARATION

I **ANUPRIYA N P (41410029)** hereby declare that the Project Report entitled “**A Study on Impact of Word of Mouth in Customers Buying Decision of Shri Bhavani Associate** ” done by me under the guidance of **Dr.M.RAJA MBA., M.Phil., Ph.D.** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05/05/2023

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TABLE OF CONTENTS

CHAPTER NO.	TITLE	PAGE NO.
	ABSTRACT	i
	LIST OF TABLES	ii
	LIST OF CHARTS	ii
1	INTRODUCTION	1
	1.1.INTRODUCTION	1
	1.2 INDUSTRY PROFILE	3
	1.3 COMPANY PROFILE	10
	1.4 NEED FOR THE STUDY	12
	1.5 SCOPE OF THE STUDY	13
	1.6 OBJECTIVES OF THE STUDY	13
2	REVIEW OF LITERATURE	14
	2.1 REVIEW OF LITERATURE	14
3	RESEARCH METHODOLOGY	18
	3.1 RESEARCH METHODOLOGY :	18
	3.2 RESEARCH DESIGN :	18
	3.3 DATA COLLECTION :	18
	3.4 TOOLS USED FOR ANALYSIS	18
4	DATA ANALYSIS AND INTERPRETATION	19
	4.1 PERCENTAGE ANALYSIS	19
	4.2 CHI-SQUARE	24
	4.3 CORRELATION	26
5	FINDINGS,SUGGESTIONS AND CONCLUSION	30
	5.1 FINDING OF THE STUDY	30
	5.2.SUGGESTION	30
	5.3 CONCLUSION	31
6	BIBIOGRAPHY	32
	ANNEXURE – 1 QUESTIONNAIRE	33
	ANNEXURE – 2 ARTICLE	

ABSTRACT

The purpose of this study is to define how word of mouth influence consumer's buying decision. Word of mouth is becoming a strong tool for building brand in present time. The research used primary and secondary data for analysis. In primary data, 133 respondents' data were collected. The findings recommend that word of mouth has impact on consumer buying decision. The results suggest that word of mouth built by trust and loyalty. The findings are based on small sample size however; the framework may be used for future research. The significance of word of mouth, particularly consumer buying behavior, is increased rapidly. The paper will give marketers a better understanding of word of mouth as well as consumer Perceptions.

LIST OF TABLE

TABLE NO	PARTICULARS	PAGE NO
4.1.1	TABLE INDICATING AGE OF THE RESPONDENTS	19
4.1.2	TABLE INDICATING GENDER OF THE RESPONDENTS	20
4.1.3	TABLE INDICATING THE RESPONDENTS OF LOYAL CUSTOMER	21
4.1.4	TABLE INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK	22
4.1.5	TABLE INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK	23

LIST OF CHARTS

CHART NO	PARTICULARS	PAGE NO
4.1.1	CHART INDICATING AGE OF THE RESPONDENTS	19
4.1.2	CHART INDICATING GENDER OF THE RESPONDENTS	20
4.1.3	CHART INDICATING THE RESPONDENTS OF LOYAL CUSTOMER	21
4.1.4	CHART INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK	22
4.1.5	CHART INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK	23

CHAPTER 1

1.1. INTRODUCTION:

1.1.1 INTRODUCTION TO WORD OF MOUTH

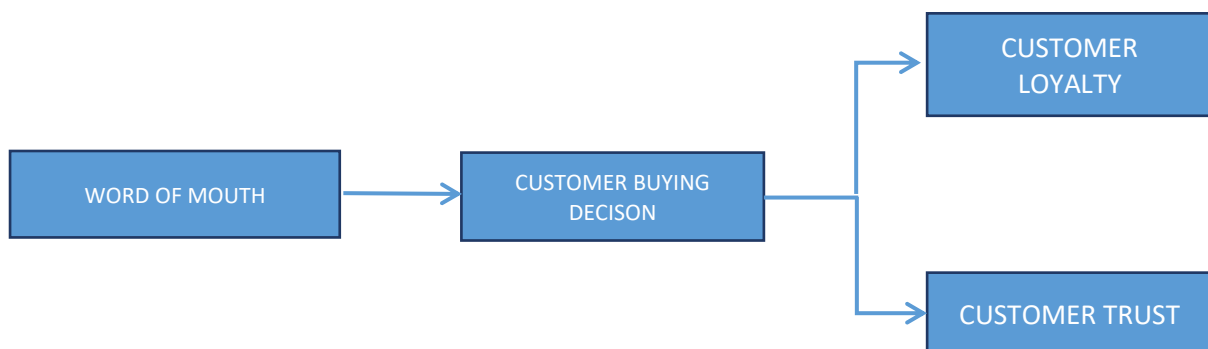
Customer's positive or negative statement toward the product or service is called word of mouth (WOM) (Hennig 2004). Word of mouth is also means distribution of information. It can guidance others' point of views, judgments and choice.

Organization can get long term customers if they utilize and develop word of mouth appropriately and also any brand can have strong image through the power of word of mouth. Word of mouth has a momentous role in customer buying behavior. Though, the influence of word of mouth is dependent on the type of product (C. Park & Lee, 2009) and its faith (Lopez & Sicilia, 2014).

Word of mouth has precious effects on building brand and trust. More than 90% of consumers have trust on the product or service which is commended by directly knowing people.

Trust is one of the difficult issues to manage in the commercial world.

Word of mouth has both positive as well as negative impact on customer buying behavior (Bolfing, 1989). Although negative is more powerful than positive (Arndt, 1967).



FRAME WORK OF WORD OF MOUTH

1.1.2 TYPES OF WORD OF MOUTH MARKETING

There are four different types of word-of-mouth in marketing:

- positive (PWOM),
- negative (NWOM),
- traditional (TWOM),
- and electronic (EWOM).

All these four types of word-of-mouth have different impacts on a company or brand.

- **Positive word-of-mouth (PWOM)** is a positive sentiment towards a product or a brand. It occurs when a customer is satisfied with a product and recommends or champions it to others.
- **Negative word-of-mouth (NWOM)** is the opposite - a negative sentiment towards a product or brand. It occurs when a customer is dissatisfied and thus criticizes or attacks the brand.
- **Traditional word-of-mouth (TWOM)** is word-of-mouth generated through oral communication.
- **Electronic word-of-mouth (EWOM)** is word-of-mouth generated through electronic, often online, settings.

1.1.3 BENEFITS OF WORD OF MOUTH MARKETING

Customer interest: Most consumers who spread word-of-mouth don't have any commercial interest in the company. Instead, they just want to share their positive experience with the brand (or negative reviews if the service is downright bad). Thus, word-of-mouth is the most authentic form of promotion. Investing in word-of-mouth marketing not only helps the company arouse people's interest but also builds brand authenticity.

Customer loyalty: Word-of-mouth marketing amplifies the brand message, which results in more brand loyalty. Brand loyalty can lead to more sales for the company as loyal customers are more likely to recommend the brand to their networks and leave positive reviews. Positive word-of-mouth can sometimes make people switch from a competitor to your brand.

Conversation: Word-of-mouth is an interactive form of marketing. It involves a dialogue between the two groups. In word-of-mouth marketing, the receiver often asks many questions about the brand to collect as much information as possible.

This can improve brand awareness and help turn "strangers" into prospective customers.

Customer relationships: Word-of-mouth marketing is also an effective method for building customer relationships which leads to repeat purchases and more product recommendations.

1.1.4 WORD OF MOUTH MARKETING DISADVANTAGES

Implementation: Word-of-mouth strategies are difficult to execute as companies pursuing this strategy tend to be viewed as inauthentic in the eyes of customers. A subtle and genuine approach should be adopted for word-of-mouth marketing to succeed.

Targeting: Word-of-mouth marketing might not directly impact your target customers. This is because you can't control the audience who are exposed to word-of-mouth messages. A customer may talk about your product to a friend or family member who is not interested in the product or service that your company is selling. Thus, even if it's a positive message, it won't do your brand any good.

Feedback: It is challenging to collect feedback and measure the success of a word-of-mouth campaign, especially if traditional word-of-mouth is used.

Negative impact: Negative word-of-mouth can have a detrimental impact on brand perceptions. Dissatisfied customers (even when your company is not at fault) can spread negative word-of-mouth that deters potential customers from purchasing a product. NWOM also hampers the brand's revenues and existing customer relationships.

1.2 INDUSTRY PROFILE

The automotive retail industry comprises two kinds of companies that sell replacement automotive parts & accessories to customers and commercial clients. The automotive industry includes industries associated with the production, wholesaling, retailing, and maintenance of motor vehicles.

The automotive industry in India is the fourth-largest by production in the world as per 2021 statistics. In 2022, India became fourth largest country in the world by valuation of automotive industry. As of 2023, India is the third largest automobile market in the world in terms of sales.

As of April 2022, India's auto industry is worth of more than US\$100 billion and contributes 8% of the country's total export and accounts for 7.1% of India's GDP. According to the 2021 National Family Health Survey, barely 8% of Indian households own an automobile. According to government statistics, India has barely 22 automobiles per 1,000 people.

India's major automobile manufacturing companies includes Maruti Suzuki, Hyundai Motor India, Tata Motors, Ashok Leyland, Mahindra & Mahindra, Force Motors, Tractors and Farm Equipment Limited, Eicher Motors, Royal Enfield, Sonalika Tractors, Hindustan Motors, Hradyyesh, ICML, Kerala Automobiles Limited, Reva, Pravaig Dynamics, Premier, Tara International and Vehicle Factory Jabalpur.

HISTORY

In 1897, the first car ran on an Indian road. Through the 1930s, cars were imports only, and in small numbers.

An embryonic automotive industry emerged in India in the 1940s. Hindustan Motors was launched in 1942 building Morris products, long-time competitor Premier in 1944, building Chrysler Corporation products such as Dodge and Plymouth, and beginning in the 1960's, Fiat products.

Mahindra & Mahindra was established by two brothers in 1945, and began assembly of Jeep CJ-3A utility vehicles. In the same years, J. R. D. Tata, the chairman of Tata Group founded TATA Engineering and Locomotive Company (now Tata Motors) in Jamshedpur. Following independence in 1947, the Government of India and the private sector launched efforts to create an automotive-component manufacturing industry to supply to the automobile industry. In 1953, an import substitution programme was launched, and the import of fully built-up cars began to be restricted.

The 1952 Tariff Commission

In 1952, the government appointed the first Tariff Commission, one of whose purposes was to come out with a feasibility plan for the indigenization of the Indian automobile industry. In 1953, the commission submitted their report, which recommended categorizing existing Indian car companies according to their manufacturing infrastructure, with licensed capacity to manufacture a certain number of vehicles, with capacity increases allowable, as per demands, in the future.

The Tariff commission policies, including similar restrictions that applied to other industries, came to be known as the Licence Raj, which proved to be the greatest undoing of the Indian automotive industry, where bureaucratic red tape ended up causing demand to outstrip supply, with month-long waiting periods for cars, scooters, and motorcycles.

Passenger cars

Hindustan Motors was established in Kolkata in technical collaboration with Morris Motors to manufacture Morris Oxford models that would later become HM Ambassador.

Addison's, Madras – An Amalgamations Group Company, was the agent for Nuffield's Morris, Wolseley, and Riley cars, and Chrysler's Plymouth, Dodge, and De Soto cars and trucks. The first Morris Minor assembled in India and the first car assembled in Madras was driven out from Addison's twin-plants on Smith Road by Anantharamakrishnan on 15 November 1950.

Premier Automobiles, Mumbai – entered into technical collaboration with Chrysler to manufacture Dodge, Plymouth and Desoto models and with Fiat to manufacture the 1100D models which would later become Premier Padmini range.

Standard Motor Products of India, Madras – entered into technical collaboration from Standard-Triumph to manufacture Standard Vanguard, Standard 8, 10 and later Standard Herald.

Utility and light commercial vehicles

Vehicle Factory Jabalpur – started manufacturing Jonga Light Utility Vehicles and Vahan 1 Ton (Nissan 4W73 Carriers) in India, under license from Nissan of Japan. They were the main troop carriers of the Indian Armed Forces and much powerful than any other vehicle of their class. Also Nissan Power Wagon was added to their line.

Mahindra & Mahindra plant established in Mumbai – technical collaboration with Willys to manufacture CJ Series Jeep.

Bajaj Tempo, Pune, now Force Motors – entered into technical collaboration with Tempo to manufacture Tempo Hanseat, a three-wheeler and Tempo Viking and Hanomag, later known as Tempo Matador in India.

Standard Motor Products of India – entered into technical collaboration from Standard and had license to manufacture the Standard Atlas passenger van with panel van and one-tonne pickup variants.

Medium and heavy commercial vehicles

Tata Motors established a new plant in Pune with technical collaboration with Mercedes Benz to manufacture medium to heavy commercial vehicles both Bus and Trucks.

Vehicle Factory Jabalpur started manufacturing Shaktiman trucks with technical assistance from MAN SE of Germany. The trucks were the main logistics vehicle of the Indian Army with several specialist variants. VFJ still is the sole supplier of B vehicles to the Indian Armed Forces.

Heavy Vehicles Factory was established in 1965 in Avadi near Chennai to produce tanks in India. Since its inception, HVF has produced all the tanks of India, including Vijayanta, Arjun, Ajeya, Bhishma and their variants for the Indian Army. HVF is the only tank manufacturing facility of India.

Ashok Leyland was founded in Chennai with Leyland Motors to manufacture medium to heavy commercial vehicles both Bus and Trucks. Ashok Motors also discontinued its Austin venture formed in 1948 to sell Austin A40 and retooled the factory to make trucks and buses.

Hindustan Motors – had technical collaboration with General Motors to manufacture the Bedford range of medium lorry and bus chassis.

Premier Automobiles – entered into technical collaboration with Chrysler to manufacture the Dodge, Fargo range of medium lorry, panel vans, mini-bus and bus chassis.

Simpsons & Co, Madras – part of Amalgamations Group (TAFE Tractors) – had technical collaboration with Ford to manufacture medium lorry and bus chassis, but did not utilise that option until the 1980s.

Scooters, mopeds and motorcycles

Many of the two-wheelers manufacturers were granted licenses in the early 1960s, well after the tariff commission was enabled.

Royal Enfield (India), Madras – had technical collaboration with Royal Enfield, UK to manufacture the Enfield Bullet range of motorcycles.

Bajaj Auto, Poona – had technical collaboration with Piaggio, Italy to manufacture their best-selling Vespa range of scooters and three wheelers with commercial option as well.

TVS Motors, Madurai/Chennai - started individually and later had technical collaboration with Suzuki Motors, before finally buying them out of the JV.

Automobile Products of India, Bombay (Better known for API Lambretta) – had technical collaboration with Innocenti of Milan, Italy to manufacture their Lambretta range of mopeds, scooters and three-wheelers. This company was actually the Rootes Group car plant that was bought over by M. A. Chidambaram family.

Mopeds India Limited, Tirupathi – had technical collaboration with Motobécane, France to manufacture their best-selling Mobylette mopeds.

Escorts Group, New Delhi – had technical collaboration with CEKOP of Poland to manufacture the Rajdoot 175 motorcycle whose origin was DKW RT 125.

Ideal Jawa, Mysore – entered into technical collaboration with CZ - Jawa of Czechoslovakia for its Jawa and Yezdi range of motorcycles.

However, growth was relatively slow in the 1950s and 1960s, due to nationalisation and the license raj, which hampered the growth of the Indian private sector.

1970 to 1983

The beginning of the 1970s didn't see growth potential; and most of the collaboration license agreements came to an end, but with the option to continue manufacturing with renewed branding. Cars were still meant for the elite and Jeeps, now owned by American Motors Corporation, were largely used by government organizations and in some rural regions. By the end of the decade, some developments were made in commercial vehicle segments to facilitate the movement of goods. The two-wheeler segment remained unchanged except for to increased sales to the middle class in urban areas. There was emphasis on having more farm tractors, as India was embarking on a new Green Revolution; and Russian and eastern bloc imports were brought in to meet the demand. But after 1970, with restrictions on the import of vehicles set, the automotive industry started to grow; but the growth was mainly driven by tractors, commercial vehicles and scooters. Cars still remained a major luxury item. In the 1970s, price controls were finally lifted, inserting a competitive element into the automobile market.

However, by the 1980s, the automobile market was still dominated by Hindustan and Premier, who sold superannuated products in fairly limited numbers. The rate of car ownership in 1981 was about one in every thousand citizens understandable when the annual road tax alone cost about half the average income of an Indian at the time.

During the eighties, a few competitors began to arrive on the scene. Of the 30,487 cars built in India in 1980, all but six came from the two main players Hindustan and Premier: Standard had led a shadow existence in the latter half of the 1970s, producing only a handful of cars to keep their license active. A new contender was tiny Sipani, which had tried building locally developed three-wheeled vehicles since 1975 but introduced the Reliant Kitten-based Dolphin in 1982. Nonetheless, all eyes were on Maruti, which caused a major upheaval to the Indian automobile industry. The OPEC oil crisis saw increase need to installing or redesign some vehicle to fit diesel engines on medium commercial vehicle. Until the early 1970s Mahindra Jeeps were on Petrol and Premier commercial vehicles had Petrol model options. The Defence sector too had most trucks on Petrol engines.

1984 to 1992

From the end of the 1970s to the beginning of the 1980s India saw no new models, the country continuing to depend on two decades-old designs. The Sipani Dolphin, which arrived in 1982, was not a serious contender, with its plastic body and without rear doors - essential to Indian car buyers. This situation forced the government to encourage and let more manufacturers into fray.

In 1984, the Ordnance Factory Medak near Hyderabad was established. It started manufacturing Infantry Combat Vehicles christened as Sarath, the backbone of India's mechanised infantry. OFMK is still the only manufacturing facility of ICVs in India. To manufacture the high-power engines used in ICVs and main battle tanks, Engine Factory Avadi, near Chennai was set in 1987. In 1986, to promote the auto industry, the government established the Delhi Auto Expo. The 1986 Expo was a showcase for how the Indian automotive industry was absorbing new technologies, promoting indigenous research and development, and adapting these technologies for the rugged conditions of India.

Post-1992 liberalisation

Eventually multinational automakers, such as, Suzuki and Toyota of Japan and Hyundai of South Korea, were allowed to invest in the Indian market, furthering the establishment of an automotive industry in India. Maruti Suzuki was the first, and the most successful of these new entries, and in part the result of government policies to promote the automotive industry beginning in the 1980s. As India began to liberalise its automobile market in 1991, a number of foreign firms also initiated joint ventures with existing Indian companies. The variety of options available to the consumer began to multiply in the nineties, whereas before there had usually only been one option in each price class. By 2000, there were 12 large automotive companies in the Indian market, most of them offshoots of global companies.

Slow export growth

Exports were slow to grow. Sales of small numbers of vehicles to tertiary markets and neighbouring countries began early, and in 1987 Maruti Suzuki shipped 480 cars to Europe (Hungary). After some growth in the mid-nineties, exports once again began to drop as the outmoded platforms provided to Indian manufacturers by multinationals were not competitive. This was not to last, and today India manufactures low-priced cars for markets across the globe. As of 18 March 2013, global brands such as Proton Holdings, PSA Group, Kia, Mazda, Chrysler, Dodge and Geely Holding Group were shelving plans for India due to the competitiveness of the market, as well as the global economic crisis.

Emission norms

In 2000, in line with international standards to reduce vehicular pollution, the central government unveiled standards titled "India 2000", with later, upgraded guidelines to be known as Bharat Stage emission standards. These standards are quite similar to the stringent European emission standards and have been implemented in a phased manner. Bharat Stage IV (BS-IV), the most stringent so far, was implemented first, in April 2010, in 13 cities—Delhi (NCR), Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Ahmedabad, Pune, Surat, Kanpur, Lucknow, Solapur, and Agra—and then, as of April 2017, the rest of the nation.

In 2019, in line with international standards to reduce vehicular pollution, the central government of India announced the introduction of BS-VI norms to control air pollution, taking effect from 1 April 2020.

1.3 COMPANY PROFILE

Shri Bhavani Associates was established & registered on 2002 in Chennai, Tamil Nadu, India. Since the company's inception in the Year 2002 it has risen to The horizon of success & today we stand in a position of elite in supply of high Quality automotive Original Equipment Manufacturer (OEM) Products for Reputed Automotive Industries & Workshops with satisfaction to the Commitment level of their customers.

We are Authorized Distributor & Reseller for the below products like 3M, BLUEPOINT (Snap-On Tools Pvt Ltd), Waxoyl, Devilbiss, Milwaukee. We have been providing support to all Major OEM, OEM after Auto Market, Automobile BODYSHOP, Auto Ancillary Industries, 4-Wheeler Work Shops, 2-Wheeler Work Shops, General Industry We are masters in providing technical team for Denting, Painting, Car Interior, Washing & other Manpower Related works in any type of Automotive Workshops.

OUR VISION:

"Beauty gives the first & the best impression & our vision is to provide that impression with versatile automobile components for improving the aesthetics of your cars."

OUR MISSION:

It is our mission to professionally supply high-quality cost effective client-focused products as well as efficiently facilitate client-based solutions by maintaining the highest standards with 100% on-time delivery along with advanced customer support to satisfy our customer's vision, mission & needs as well as approach our task with passion and commitment along with bolstering personal employee growth.

MOTTO:

To prosper together with customers, suppliers and employees and to contribute to a prosperous society

MANAGEMENT POLICY:

To take up the challenges of innovation & to respond to market needs as a diversified & multifaceted Trading company

ACTION GUIDELINE:

To deliver customer satisfaction with creativity, innovation, sincerity and gratitude and to act in compliance with the law and ethics

BENEFITS OF ASSOCIATING WITH OUR ASSOCIATION

We commit ourselves to the extent of providing every sort of solutions in the after-Sales OEM Market with Supply of Technical Products & after Service of the same.

We have continuously proved all our customers with satisfaction in terms of

- ✓ Advanced & Quality products & services
- ✓ Low prices
- ✓ Minimum Logistic cost & supply time
- ✓ Availability of Versatile products
- ✓ Decisive post-sales support
- ✓ Committed technical associate for individual client.
- ✓ Multi medium assistance capabilities which includes deployment by voice, mail & remote assistance.
- ✓ Field support & component store house.

DIRECTOR'S DESK

Shri Bhavani Associates believes in Dignity & Duty. From the beginning we are dedicated to this timeless principle. Over a span of ten years we have acquired a strong and healthy market trust with all our customers by the simple principle "EARN TRUST WITH BUSINESS". The company primarily associate itself with Honesty, Commitment, Satisfaction & Welfare. We celebrate our work with our customers, makers and fixers who perform day in and out to move the world forward

OUR PRODUCT



OUR CLIENTS :

- ABRA MOTORS (MB,)
- TRANSCAR AUTO (MB,)
- TITANIUM MOTORS (MB,)
- HMP MOTORS (HYUNDAI)
- RAMKAY MOTORS (FIAT,JEEP,)
- VOLKSWAGEN
- VOLVO
- JAGUAR
- TOYOTA
- RENAULT
- NISSAN
- FORD INDIA LTD
- SKODA AUTO
- RENAULT NISSAN
- KOMATSU
- FORD INDIA Pvt Ltd
- SUNDARAM MOTORS
- KUN AUTO GROUP (BMW, HYUNDAI, HONDA, VW, ISUZU, RENAULT)
- KIVARAJ MOTORS (HONDA, MARUTI)
- FPL (HYUNDAI)
- RDS & RDC MOTORS (JEEP, HYUNDAI, EACHIR,)
- MAANSAROVAR MOTORS (HONDA,)
- CAPITAL (HONDA,)

1.4 NEED FOR THE STUDY

This study helps to understand the impact of word of mouth, which plays a important role in customer purchase decision and also this study helps in generating positive word of mouth by understanding the consumer perceptions

Word of mouth marketing is important because it is one of the most effective ways to connect to potential clients and increase business. People are more likely to listen

1.5 SCOPE OF THE STUDY

- Word of mouth is one of the most basic means of distribution channel its a first stage of marketing. If word of mouth power exercises correctly,
- It could market any product or services for the long time. It also helps in better understanding of word of mouth as well as consumer perceptions.
- It is an effective way to increase sales, promote products and services, increase brand recognition, and build customer loyalty. Many companies employ strategies that prompt customers to recommend their services and/or products and share positive experiences.
- To learn how to market to people through word of mouth, it's beneficial to first know who the target customers are, what they want, where they are and what they value. For example, if many current or potential customers live in a certain area, you may want to consider finding a local spokesperson who customers could recognize and who can talk to their community about the company or product. Defining a target audience can also help you improve your products and services.

1.6 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- To know the Influence of Word of Mouth on customer Buying Decision

SECONDARY OBJECTIVE

- To examine word of mouth marketing on coustomer buying decision
- To analyze the importance of positive WOM and negative WOM on consumer
- To know at which geographical segment the potential customer exist
- To understand the customer perceptions when its comes to purchase decision

CHAPTER 2

REVIEW OF LITERATURE

- Word of mouth has been considered one of the major influential sources of information for the consumers (**Katz & Lazarsfeld, 1955**).
- Because consumers are willing to share and discuss about their products / services, brands with each other (**Berger, 2013**).
- The significance of word of mouth is revealed on a study based on effects of word of mouth on consumer purchasing decisions (**Chevalier & Mayzlin 2006**).
- Word of mouth is like an informal communications among the consumers regarding the character of a product or service (**De Matos & Rossi, 2008**).
- On the other hand, **Mangold Et Al, 1999** established that the consumers needed the information and they searched of that which had active impact of word of mouth in purchasing decisions.
- Word of mouth can be both positive and negative impact in consumer mind. Positive word of mouth occurs when consumers give favorable respond towards the product or service and when they unfavorable respond then it becomes negative word of mouth (**Buttle, 1998**).
- Word of mouth has better influence that's way marketers give more emphasize on word of mouth than traditional marketing communication tools because traditional marketing communication tools trailing its efficiency (**Nail, 2005**).
- Word of mouth is one of the key components in buying decision (**Onghai, 2012**).
- The concept of word of mouth (WOM) continues to grow in line with the development of communication technology. The way of exchanging idea on services and goods offered in the market is WOM. According to **Westbrook (1987)** WOM was an informal communication directed at other consumers. This research was conducted on automobile and TV cable in terms of communicator perspectives.
- Other similar studies in the automobile sector were carried out by Brown, Barry, Dacin, and **Gunst(2005)**. Another study conducted by East, Hammond, and Lomax (2008) describes WOM is informal suggestion conveyed among consumers.

- They study was measured in terms of receiver perspectives. From the above definition it appears that WOM occurs due to communication between the receiver and communicator informally. This research was conducted from receiver perspectives referring to **Bambauer-Sachse and Mangold (2011)**
- Understanding consumers is the first step of marketing management **(Kotler, 2008)**. Consumer buying behavior is depending on the approaches of an individual choose of buying, uses of goods and services for satisfying needs and wants **(Solomon, 2006)**. Consumer behavior depends on how consumers make decisions for spending their resources for the consumption **(Schiffman & Kanuk, 2012)**.
- Consumer buying behavior is a concept that try to find out the answers of 5W's i.e. what, when, why, who & where a consumer buys a product or service. Before purchasing a product or service what a consumer thinks, feels about the product or service is known as consumer buying behavior **(Khaniwale, 2015)**.
- Consumer buying behavior has encouraging influence by word of mouth to satisfy consumer **(Taghizadeh, Taghipouriand & Khazaei, 2012)**.
- Consumer loyalty has become one of the most valuable intangible assets in an organization. Consumer loyalty means when a consumer hold a deep commitment with a product or service again and again in that way reasoning a tedious purchase of same brand **(Oliver,1999)**.
- There is a connection between consumer loyalty and consumer satisfaction found by researchers **(Hallowell, 1996)**.
- Although consumer loyalty is a long term process but once a brand gets consumer loyalty, consumer stands with brand in a long run, which is the indispensable
- Motive of any brand. Consumer loyalty is an organization's advantage that increases repeat business with the same customers **(Anderson& Jacobsen, 2000)**.
- By constructive experience, satisfaction and apparent value got by customer then the organization could have loyal customer for a long run. Satisfied customers become loyal customer easily if the organizations give proper value of the customers. **(Baldinger & Robinson, 1996)**,

- New approaches come concerning the dimension of brand loyalty, where the researchers focused on attitudinal information on customer loyalty. Customer loyalty has linked with business performance **(Reichheld, 2003)** and it is a significant forecaster of long term productivity **(Salegna&Goodwin, 2005)**.
- Consumer buying behavior, trust is one of the essential elements which diminish risk and dissatisfaction from consumer mind **(Kolsaker, Kelley, Ching, 2004)**.
- Consumer trusts is extremely important to build good relationship. Trust has been a significant factor for consumer to stay with the and getting trust is like having a place in consumer mind. Because of that many organization has a management team for managing the customer trust. Consumer trust plays a vital role beyond consumer satisfaction to keep the consumers in a long run **(Morgan & Hunt 1994)**
- consumer trust is being to be a well-built method for consumer maintenance **(Ranaweera & Prabhu, 2003)**
- Maintaining positive relationships with consumers is one way to build a brand image. According to **Río, Vázquez, and Iglesias (2001)** stated that brand image is the customer's perception of the brand, as reflected in the association group associated with the brand name in his memory.
- Brand image is perceptual and subjective. This is in line with the opinion of previous researchers, **Dobni and Zinkhan (1990)** stated that brand image was mostly a perceptual phenomenon and subjective that is formed through consumer perception, whether it is emotional or reasoned.
- **Cho and Fiore (2015)** explained that there is two of literature's brand image that is both academic and industry-based.
- The present researchers incorporated with industry-based literature proposed by **(Roberts & Lafley, 2005)**. They proposed that a brand need to find a way to create relationships and associations with consumers.
- **Cho and Fiore (2015)** stated that brand image is consumer perception and feeling towards a brand that is formed by direct/ indirect brand experience, which captures cognitive, emotional, and sensory aspects.

- Research on automobile industry in Iran by **Jalilvand and Samiei (2012)** found that word of mouth has a strong direct influence towards purchase intentions.
- This condition is in line with **Bambauer-Sachse and Mangold (2011)** studies which suggest the existence of adverse effects on the negative reviews of an online product to consumer-based brand equity.
- According to research **Chevalier and Mayzlin (2006)** and **Jalilvand and Samiei (2012)** found that word of mouth has a strong direct effect on purchase intentions.
- Another research by **Meiners, Schwarting, and Seeberger (2010)** states that traditional and online word of mouth communications can influence attitudes and predictions of consumer purchasing behavior.
- **Chatterjee (2001)** word of mouth can effectively reduce uncertainty and the risk when consumers buy products or services.
- Based on the research of **Yu, Lin, and Chen (2013)**, brand image is a very important aspect in purchase intentions. According to **Wu, Yeh, and Hsiao (2011)** brand image has a positive effect on purchase intentions. It implies that brand image has an important role to make consumer decide to buy.
- The other researchers who studied the influences of brand images to purchase intentions are **Batra and Homer (2004)**, **Esch, Langner, Schmitt, and Geus (2006)** and **Jalilvand and Samiei (2012)** found there is a positive influence of brand image to purchase intention.

CHAPTER 3

3.1 RESEARCH METHODOLOGY:

Research methodology is framed for the purpose of finding the impact of word of mouth on customer buying decision of shri bhavani associate

3.2 RESEARCH DESIGN:

Research is done to collect the customer perspection of WOM on purchase decision of SBA

Which help in better understanding customer perspection and also helps to increase positive WOM

DESCRIPTIVE RESEARCH:

It aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, where, when and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables

3.3 DATA COLLECTION:

PRIMARY DATA:

Primary data consists of original information collected for specific purposes. The primary data are those which are gathered especially for the project. Through questionnaire and personal interaction.

SECONDARY DATA:

Secondary data consists of information that already exists somewhere which has been collected for specific purpose. Secondary data has been collected from different books and websites.

3.4 TOOLS USED FOR ANALYSIS

- Percentage Analysis
- Correlation Coefficient
- Chi-square

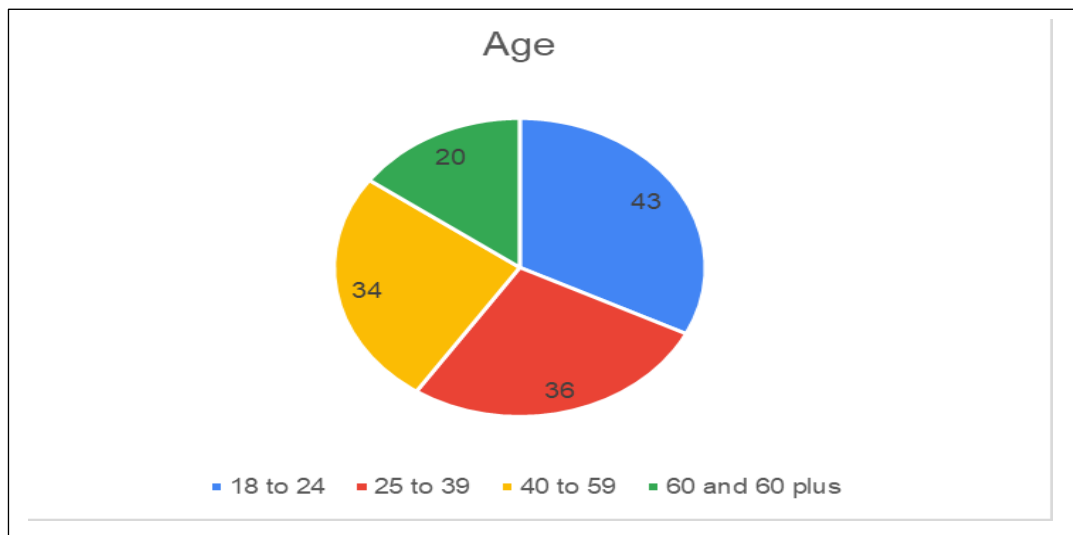
CHAPTER 4 DATA ANALYSIS AND INTERPRETATIONS

PERCENTAGE ANALYSIS

4.1.1 TABLE INDICATING AGE OF THE RESPONDENTS

Age	No. Of Respondents
18 to 24	43
25 to 39	36
40 to 59	34
60 and 60 plus	20
Total	133

4.1.1 CHART REPRESENTS AGE OF THE RESPONENTS



INTERPRETATION:

From the above table, 43% of the respondents are from 18 – 24 Years, 36% of the respondents are from 25– 39 Years, 34% of the respondents are from 40 to 59 years, 20% of the respondents are from 60 and 60 plus

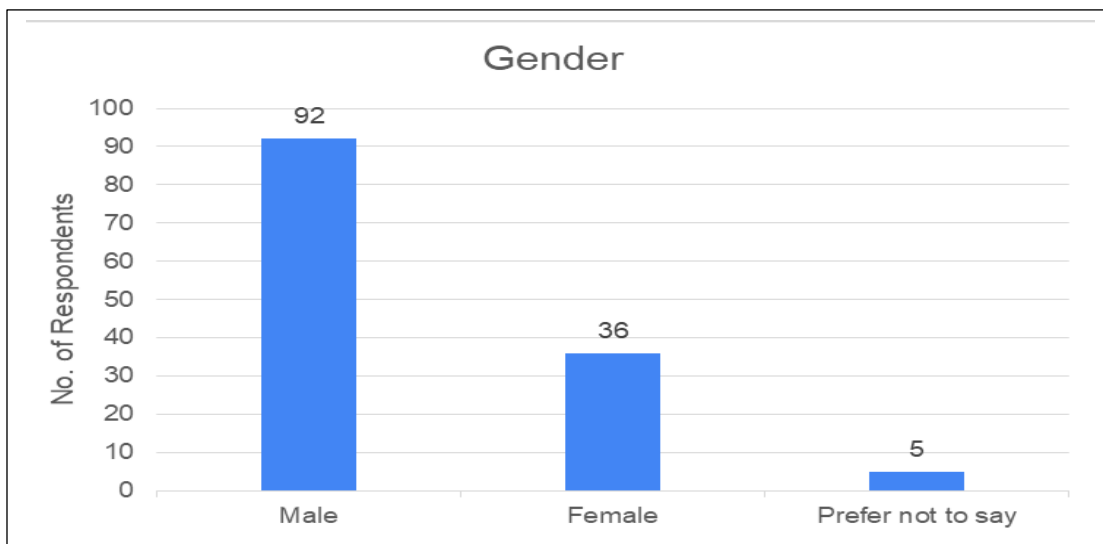
INFERENCE:

For age of respondents 43 % of respondents are 18 to 24

4.1.2 TABLE INDICATING GENDER OF THE RESPONDENTS

<i>Gender</i>	<i>No. Of Respondents</i>
<i>Male</i>	<i>92</i>
<i>Female</i>	<i>36</i>
<i>Prefer not to say</i>	<i>5</i>
<i>Total</i>	<i>133</i>

4.1.2 CHART REPRESENTS GENDER OF THE RESPONDENTS



INTERPRETATION:

From the above table, it is highlighted that 92% of the respondents are male customers 36% of the respondents are female customers and 5% respondent are prefer to say

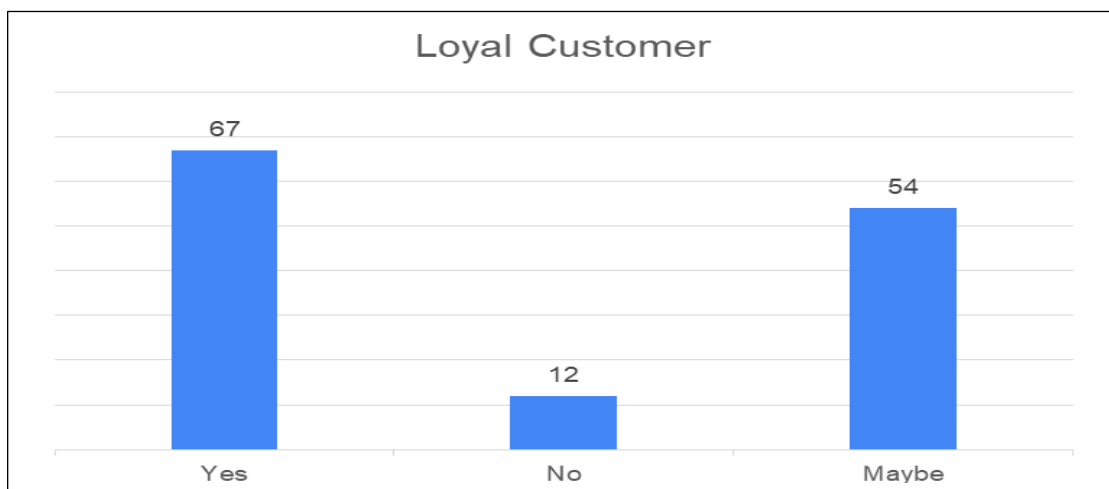
INFERENCE:

For gender of respondents 92 % of respondents are male

4.1.3 TABLE INDICATING THE RESPONDENTS OF LOYAL CUSTOMER

Loyal Customer	No. Of Respondents
Yes	67
No	12
Maybe	54
Total	133

4.1.3 CHART REPRESENTS THE RESPONDENTS OF LOYAL CUSTOMER



INTERPRETATION:

From the above table, it is highlighted that 62% of the respondents are yes
12 % of the respondents are no and 54% respondent are maybe

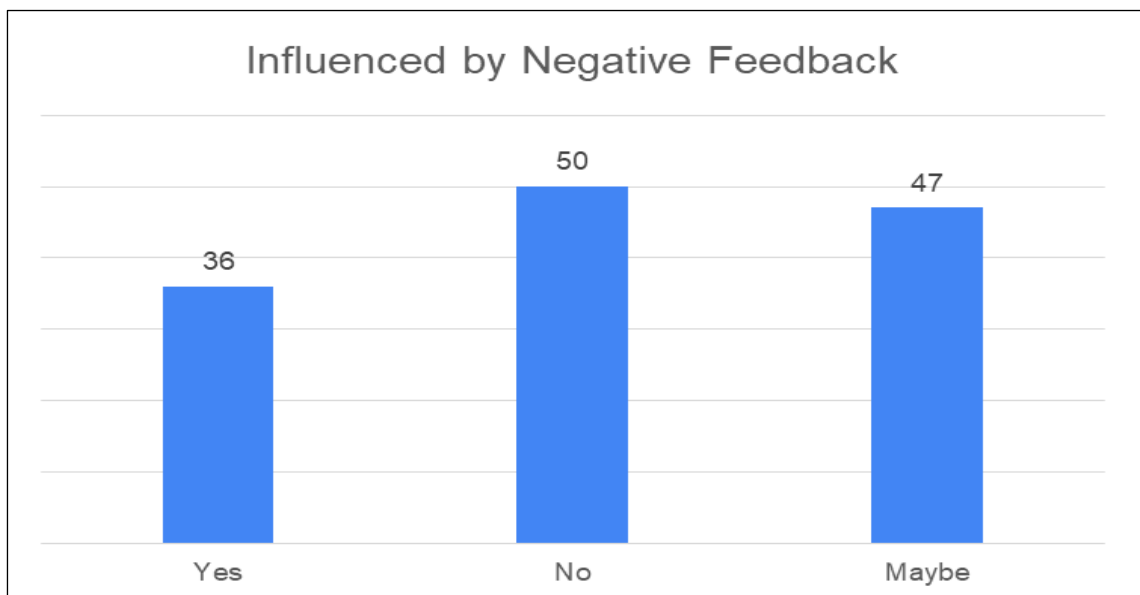
INFERENCE:

For loyal customer 62 % of respondents are yes

4.1.4 TABLE INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK

Influenced by Negative Feedback	No. Of Respondents
Yes	36
No	50
Maybe	47
Total	133

4.1.4 CHART REPRESENTS THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK



INTERPRETATION:

From the above table, it is highlighted that 50% of the respondents are NO 47 % of the respondents are maybe and 36% respondent are yes

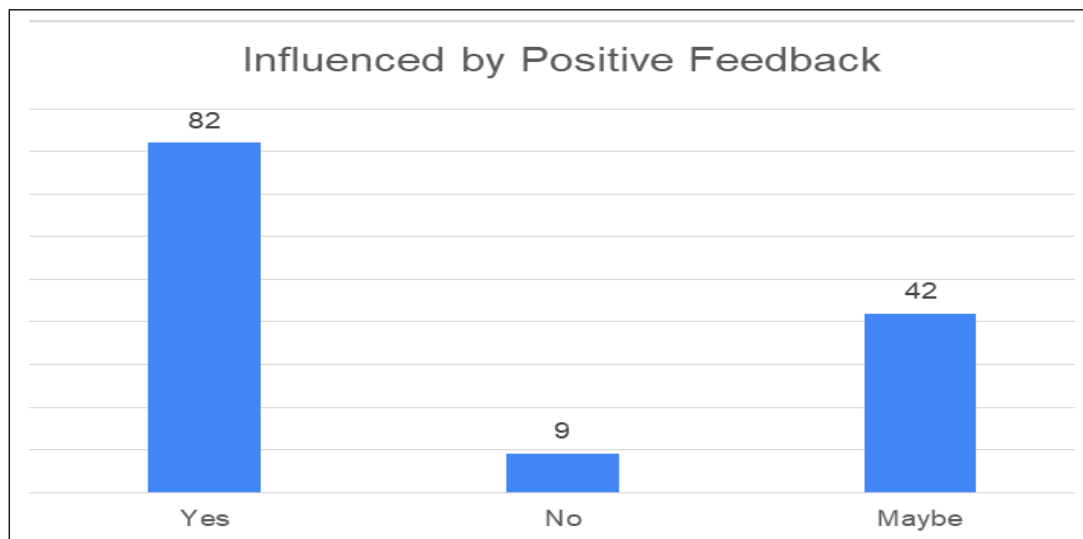
INFERENCE:

For influenced by negative feedback 50 % of respondents are No

4.1.5 TABLE INDICATING THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK

Influenced by Positive Feedback	No. Of Respondents
Yes	82
No	9
Maybe	42
Total	133

4.1.5 CHART REPRESENTS THE RESPONDENTS OF INFLUENCED BY NEGATIVE FEEDBACK



INTERPRETATION:

From the above table, it is highlighted that 82% of the respondents are yes 42 % of the respondents are maybe and 9 % respondent are no

INFERENCE:

For influenced by positive feedback 82% of respondents are yes

CHI-SQUARE

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
AGE * HEAR ABOUT US THROUGH	133	100.0%	0	0.0%	133	100.0%

CROSSTABULATION OF AGE AND HEAR ABOUT US THROUGH

AGE * HEAR ABOUT US THROUGH Crosstabulation

		HEAR ABOUT US THROUGH				Total
		Recommen ded by friend or colleague	Search Engine (Google, yahoo, etc.)	social media	Website (IndiaMART, Justdial, etc.)	
AGE	Count	16	7	10	10	43
	18 to 24					
	Expected	21.3	8.1	5.8	7.8	43.0
	Count					
	25 to 39					
	Expected	17.9	6.8	4.9	6.5	36.0
	Count					
	40 to 59					
	Expected	16.9	6.4	4.6	6.1	34.0
	Count					
	60 and 60 plus					
	Expected	9.9	3.8	2.7	3.6	20.0
	Count	66	25	18	24	133
	Total					
	Expected	66.0	25.0	18.0	24.0	133.0
	Count					

CHI SQUARE TEST:

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.686 ^a	9	.003
Likelihood Ratio	32.388	9	.000
N of Valid Cases	133		

a. 5 cells (31.2%) have expected count less than 5. The minimum expected count is 2.71.

HYPOTHESIS

HO – There is no significance difference between age and hear about us through

H1 – There is a significance difference between age and hear about us through

INTERPRETATION:

Since p value (.003) is less than 0.05. We accept the alternate hypothesis and reject the null hypothesis. Hence there is a significant different between the age of the respondent and hear about us through.

CORRELATION

CORRELATION BETWEEN LOYAL CUSTOMERS AND LIKE TO USE OUR PRODUCT/SERVICE AGAIN

Correlations

		LOYAL CUSTOMER	LIKE TO USE OUR PRODUCT/SERVICE AGAIN
LOYAL CUSTOMER	Pearson Correlation	1	.406**
	Sig. (2-tailed)		.000
	N	133	133
LIKE TO USE OUR PRODUCT/SERVICE AGAIN	Pearson Correlation	.406**	1
	Sig. (2-tailed)	.000	
	N	133	133

** . Correlation is significant at the 0.01 level (2-tailed).

HYPOTHESIS

H0 (Null Hypothesis) - The two variables are not linearly related and the correlation is not significant.

H1 (Alternate Hypothesis) - The two variables are linearly related and the correlation is significant.

INTERPRETATION:

It is clear from the above table that correlation value is .406. This means there is a moderate correlation between the loyal customer and the like to use our product/service again

CORRELATION BETWEEN POSITIVE FEEDBACK INFLUENCES IN BUYING DECISIONS AND INFLUENCE OF BRAND NAME ON PURCHASE DECISIONS

Correlations

		POSITIVE FEEDBACK INFLUENCES IN BUYING DECISIONS	INFLUENCE OF BRAND NAME ON PURCHASE DECISIONS
POSITIVE FEEDBACK INFLUENCES IN BUYING DECISIONS	Pearson Correlation	1	.614**
	Sig. (2-tailed)		.000
	N	133	133
INFLUENCE OF BRAND NAME ON PURCHASE DECISIONS	Pearson Correlation	.614**	1
	Sig. (2-tailed)	.000	
	N	133	133

**. Correlation is significant at the 0.01 level (2-tailed).

HYPOTHESIS

H0 (Null Hypothesis) - The two variables are not linearly related and the correlation is not significant.

H1 (Alternate Hypothesis) - The two variables are linearly related and the correlation is significant.

INTERPRETATION:

It is clear from the above table that correlation value is .614. This means there is a moderate high correlation between the positive feedback influences in buying decisions and the influence of brand name on purchase decisions

CORRELATION BETWEEN NEGATIVE FEEDBACK INFLUENCES IN BUYING DECISIONS AND INFLUENCE OF SERVICE QUALITY ON PURCHASE DECISIONS

Correlations

		NEGATIVE FEEDBACK INFLUENCES IN BUYING DECISIONS	INFLUENCE OF SERVICE QUALITY ON PURCHASE DECISIONS
NEGATIVE FEEDBACK INFLUENCES IN BUYING DECISIONS	Pearson Correlation	1	.359**
	Sig. (2-tailed)		.000
	N	133	133
INFLUENCE OF SERVICE QUALITY ON PURCHASE DECISIONS	Pearson Correlation	.359**	1
	Sig. (2-tailed)	.000	
	N	133	133

** . Correlation is significant at the 0.01 level (2-tailed).

HYPOTHESIS

H0 (Null Hypothesis) - The two variables are not linearly related and the correlation is not significant.

H1 (Alternate Hypothesis) - The two variables are linearly related and the correlation is significant.

INTERPRETATION:

It is clear from the above table that correlation value is .359. This means there is a low correlation between the negative feedback influences in buying decisions and the influence of service quality on purchase decisions

CORRELATION BETWEEN CHOOSE BETWEEN OUR [PRODUCT OR SERVICE] OVER OTHER OPTIONS AND INFLUENCE OF PRODUCT FEATURES ON PURCHASE DECISIONS

Correlations

		CHOOSE BETWEEN OUR [PRODUCT OR SERVICE] OVER OTHER OPTIONS	INFLUENCE OF PRODUCT FEATURES ON PURCHASE DECISIONS
CHOOSE BETWEEN OUR [PRODUCT OR SERVICE] OVER OTHER OPTIONS	Pearson Correlation	1	.480**
	Sig. (2-tailed)		.000
	N	133	133
INFLUENCE OF PRODUCT FEATURES ON PURCHASE DECISIONS	Pearson Correlation	.480**	1
	Sig. (2-tailed)	.000	
	N	133	133

** . Correlation is significant at the 0.01 level (2-tailed).

HYPOTHESIS

H0 (Null Hypothesis) - The two variables are not linearly related and the correlation is not significant.

H1 (Alternate Hypothesis) - The two variables are linearly related and the correlation is significant.

INTERPRETATION:

It is clear from the above table that correlation value is .480. This means there is a moderate correlation between the choose between our product or service over other options and influence of product features on purchase decisions

5.1 FINDINGS OF THE STUDY

Majority (43 %) of respondent's age are 18 to 24

Majority (92 %) of respondent's gender are male

Majority (62%) of yes respondents for loyal customer

Majority (50%) no respondents for influenced by negative feedback

Majority (82%) yes respondents for influenced by positive feedback

Majority (66%) are recommended by friends or colleague for hear about us through

Majority (67%) are yes for choose between our product or service over the other options

Majority (58%) are strongly agree for influence of quality on purchase decision

Majority (51%) are strongly agree for influence of price on purchase decision

Majority (38%) are strongly agree for influence of service quality on purchase decision

Majority (38%) are neutral for influence of family on purchase decision

Majority (64%) of yes for like to use our product / service again

Majority (53%) of yes respondents for shared positive feedback

Majority (77%) of no respondents for shared negative feedback

Majority (37%) of respondents are strongly agree for influence of product features on purchase decision

Majority (29%) of respondents are neutral and strongly disagree for influence of advertisement on purchase decision

Majority (29%) of respondents are neutral and agree for influence of peer group on purchase decision

Majority (49%) of respondents are strongly agree for influence of brand name on purchase decision

5.2 Suggestions

- A referral program can be designed to help you increase the success of your word of mouth marketing campaigns. You can offer perks for different levels of promotion. For example, if your customer refers a friend who purchases, you can offer a financial reward as a token of appreciation.

- some customer issues are inevitable, when they arise, resolve it as quickly as possible to prevent the customer from becoming dissatisfied and ultimately misrepresenting your brand, product, or service
- Align with customers vision – You just have to understand the specific needs of your customers and work with them for your own benefit.
- Offering samples of a product is another type of word of mouth marketing. In exchange for a sample, request a testimonial or the completion of a survey that will give you information from customers to share with potential customers. Those who receive the product sample can also become your brand ambassadors, especially if they are particularly happy with it.
- Make it easy for users to share their experiences on social media by maintaining a social media presence and creating a unique tag for images and posts.
- Provide products to influential social media users to review for their audience.
- Treat customers well and work to provide a positive experience during every interaction.
- Understand the customer base and tailor your social media experience and strategies to them

5.3 Conclusion

The purpose of this study is to examine what positive and negative effects word of mouth has on the consumer buying decision. The reveal that people of all age and genders do rely heavily on word of mouth to arrive at a decision to purchase any item. Although it has been identified through the questionnaire that people prefer advertising over word of mouth. Word of mouth certainly has an enormous impact on buying decision of individuals. This is the fact that one time bad experience can create a permanent bad impression of the product/service and thus leads to negative word of mouth. at the same time positive word of mouth can have magical effect on the sales of the product/service.

CHAPTER – 6 BIBILOGRAPHY

6.1 BIBILOGRAPHY

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6.2 WEBSITES

www.scribd.com

www.wikipedia.com

www.google.com

ANNEXURE – 1

QUESTIONNAIRE

1. NAME *

2. AGE *

- ☐ 18 to 24
- ☐ 25 to 39
- ☐ 40 to 59
- ☐ 60 and 60 plus

3. GENDER *

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

4. LOCATION

5. HEAR ABOUT US THROUGH

- ☐ Search Engine (Google, yahoo, etc.)
- ☐ Recommended by friend or colleague
- ☐ social media
- ☐ Website (IndiaMART, Justdial, etc.)

6. CHOOSE BETWEEN OUR [PRODUCT OR SERVICE] OVER OTHER OPTIONS

- ☐ Yes
- ☐ No
- ☐ Maybe

7. ARE YOU A LOYAL CUSTOMER

- ☐ Yes
- ☐ No
- ☐ Maybe

8. NEGATIVE FEEDBACK INFLUENCES IN BUYING DECISIONS

- ☐ Yes
- ☐ No
- ☐ Maybe

9. POSITIVE FEEDBACK INFLUENCES IN BUYING DECISIONS

- ☐ Yes
- ☐ No
- ☐ Maybe

10. INFLUENCE OF QUALITY ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

11. INFLUENCE OF PRICE ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

12. INFLUENCE OF BRAND NAME ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

13. INFLUENCE OF PEER GROUP ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

14. INFLUENCE OF A DVERTISEMENT ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

15. INFLUENCE OF FAMILY MEMBERS ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

16. INFLUENCE OF SERVICE QUALITY ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

17. INFLUENCE OF PRODUCT FEATURES ON PURCHASE DECISIONS

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

18. SHARED NEGATIVE FEEDBACK WITH OTHERS

- ☐ Yes
- ☐ No
- ☐ Maybe

19. SHARED POSITIVE FEEDBACK WITH OTHERS

- ☐ Yes
- ☐ No
- ☐ Maybe

20. LIKE TO USE OUR PRODUCT/SERVICE AGAIN

- ☐ Yes
- ☐ No
- ☐ Maybe

A STUDY ON IMPACT OF WORD OF MOUTH IN CUSTOMERS BUYING DECISION OF SHRI BHAVANI ASSOCIATE

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ABSTRACT

The purpose of this study is to define how word of mouth influence consumer's buying decision. Word of mouth is becoming a strong tool for building brand in present time. The research used primary and secondary data for analysis. In primary data, 133 respondents' data were collected. The findings recommend that word of mouth has impact on consumer buying decision. The results suggest that word of mouth built by trust and loyalty. The findings are based on small sample size however; the framework may be used for future research. The significance of word of mouth, particularly consumer buying behavior, is increased rapidly. The paper will give marketers a better understanding of word of mouth as well as consumer Perceptions.

INTRODUCTION

Customer's positive or negative statement toward the product or service is called word of mouth (WOM) (Hennig 2004). Word of mouth is also means distribution of information. It can guidance others' point of views, judgments and choice. Organization can get long term customers if they utilize and develop word of mouth appropriately and also any brand can have strong image through the power of word of mouth. Word of mouth has a momentous role in customer buying behavior. Though, the influence of word of mouth is dependent on the type of product (C. Park & Lee, 2009) and its faith (Lopez & Sicilia, 2014).

OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- To know the Influence of Word of Mouth on customer Buying Decision.

SECONDARY OBJECTIVE

- To examine word of mouth marketing on coustomer buying decision
- To analyze the importance of positive WOM and negative WOM on consumer
- To know at which geographical segment the potential customer exist
- To understand the customer perceptions when its comes to purchase decision

SCOPE OF THE STUDY

- Word of mouth is one of the most basic means of distribution channel its a first stage of marketing. If word of mouth power exercises correctly,
- It could market any product or services for the long time. It also helps in better understanding of word of mouth as well as consumer perceptions.
- It is an effective way to increase sales, promote products and services, increase brand recognition, and build customer loyalty. Many companies employ strategies that prompt customers to recommend their services and/or products and share positive experiences.
- To learn how to market to people through word of mouth, it's beneficial to first know who the target customers are, what they want, where they are and what they value. For example, if many current or potential customers live in a certain area, you may want to consider finding a local spokesperson who customers could recognize and who can talk to their community about the company or product. Defining a target audience can also help you improve your products and services.

REVIEW OF LITERATURE

Word of mouth has been considered one of the major influential sources of information for the consumers (**Katz & Lazarsfeld, 1955**).

Because consumers are willing to share and discuss about their products / services, brands with each other (**Berger, 2013**).

The significance of word of mouth is revealed on a study based on effects of word of mouth on consumer purchasing decisions (**Chevalier & Mayzlin 2006**).

Word of mouth is like an informal communications among the consumers regarding the character of a product or service (**De Matos & Rossi, 2008**).

On the other hand, **Mangold Et Al, 1999** established that the consumers needed the information and they searched of that which had active impact of word of mouth in purchasing decisions.

Word of mouth can be both positive and negative impact in consumer mind. Positive word of mouth occurs when consumers give favorable respond towards the product or service and when they unfavorable respond then it becomes negative word of mouth (**Buttle, 1998**).

Word of mouth has better influence that's way marketers give more emphasize on word of mouth than traditional marketing communication tools because traditional marketing communication tools trailing its efficiency (**Nail, 2005**).

Word of mouth is one of the key components in buying decision (**Onghai, 2012**).

The concept of word of mouth (WOM) continues to grow in line with the development of communication technology. The way of exchanging idea on services and goods offered in the market is WOM. According to **Westbrook (1987)** WOM was an informal communication directed at other consumers. This research was conducted on automobile and TV cable in terms of communicator perspectives.

Other similar studies in the automobile sector were carried out by Brown, Barry, Dacin, and **Gunst(2005)**. Another study conducted by East, Hammond, and Lomax (2008) describes WOM is informal suggestion conveyed among consumers

RESEARCH DESIGN:

DESCRIPTIVE RESEARCH

It aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, where, when and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables

DATA COLLECTION:

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Primary data consists of original information collected for specific purposes. The primary data are those which are gathered especially for the project. Through questionnaire and personal interaction.

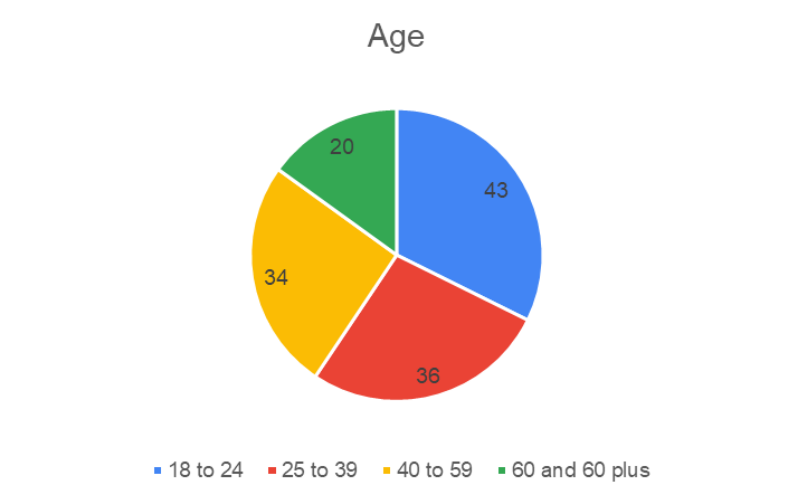
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DATA ANALYSIS AND INTERPRETATIONS
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CHART REPRESENTS AGE OF THE RESPONDENTS



INTERPRETATION:

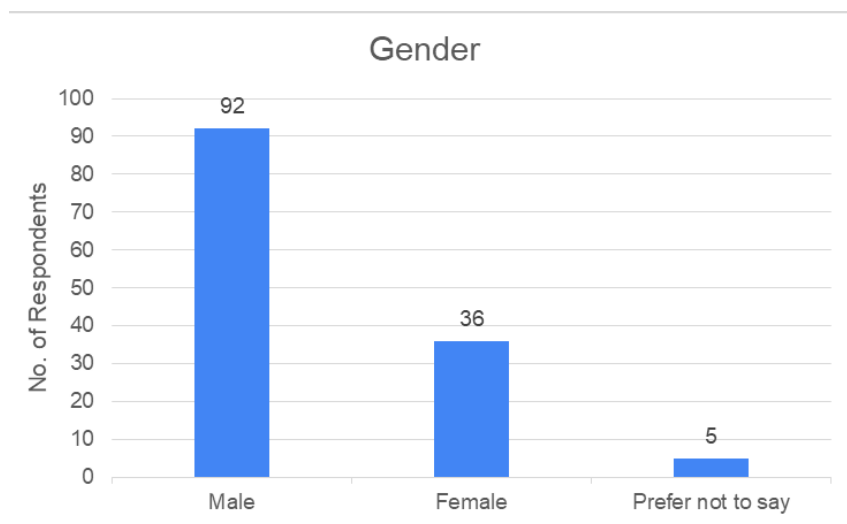
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Total	133

CHART REPRESENTS GENDER OF THE RESPONDENTS



INTERPRETATION:

From the above table, it is highlighted that 92% of the respondents are male customers 36% of the respondents are female customers and 5% respondent are prefer to say

INFERENCE:

For gender of respondents 92 % of respondents are male

CORRELATION
CORRELATION BETWEEN LOYAL CUSTOMERS AND LIKE TO USE OUR PRODUCT/SERVICE AGAIN
Correlations

		LOYAL CUSTOMER	LIKE TO USE OUR PRODUCT/SERVICE AGAIN
LOYAL CUSTOMER	Pearson Correlation	1	.406**
	Sig. (2-tailed)		.000
	N	133	133
LIKE TO USE OUR PRODUCT/SERVICE AGAIN	Pearson Correlation	.406**	1
	Sig. (2-tailed)	.000	
	N	133	133

**Correlation is significant at the 0.01 level (2tailed).

HYPOTHESIS

H0 (Null Hypothesis) - The two variables are not linearly related and the correlation is not significant.

H1 (Alternate Hypothesis) - The two variables are linearly related and the correlation is significant.

INTERPRETATION:

It is clear from the above table that correlation value is .406. This means there is a moderate correlation between the loyal customer and the like to use our product/service again

FINDINGS OF THE STUDY

Majority (43 %) of respondent's age are 18 to 24

Majority (92 %) of respondent's gender are male

Majority (62%) of yes respondents for loyal customer

Majority (50%) no respondents for influenced by negative feedback

Majority (82%) yes respondents for influenced by positive feedback

Majority (66%) are recommended by friends or colleague for hear about us through

Majority (67%) are yes for choose between our product or service over the other options

Majority (58%) are strongly agree for influence of quality on purchase decision

Majority (51%) are strongly agree for influence of price on purchase decision

Majority (38%) are strongly agree for influence of service quality on purchase decision

Majority (38%) are neutral for influence of family on purchase decision

Majority (64%) of yes for like to use our product / service again

Majority (53%) of yes respondents for shared positive feedback

Suggestions

A referral program can be designed to help you increase the success of your word of mouth marketing campaigns. You can offer perks for different levels of promotion. For example, if your customer refers a friend who purchases, you can offer a financial reward as a token of appreciation.

Offering samples of a product is another type of word of mouth marketing. In exchange for a sample, request a testimonial or the completion of a survey that will give you information from customers to share with potential customers. Those who receive the product sample can also become your brand ambassadors, especially if they are particularly happy with it.

Make it easy for users to share their experiences on social media by maintaining a social media presence and creating a unique tag for images and posts.

Provide products to influential social media users to review for their audience.

CONCLUSION

The purpose of this study is to examine what positive and negative effects word of mouth has on the consumer buying decision. The reveal that people of all age and genders do rely heavily on word of mouth to arrive at a decision to purchase any item. Although it has been identified through the questionnaire that people prefer advertising over word of mouth. Word of mouth certainly has an enormous impact on buying decision of individuals. This is the fact that one time bad experience can create a permanent bad impression of the product/service and thus leads to negative word of mouth. at the same time positive word of mouth can have magical effect on the sales of the product/service.

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