

# DEALER SATISFACTION AND ITS INFLUENCE ON BRAND LOYALTY: A STUDY ON RAMCO CEMENTS

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## ABSTRACT

This research, focused on Ramco Cements Limited in the highly competitive Indian cement market, investigates how five factors—product quality, pricing, logistics, clarity of information, and support affect dealer satisfaction and subsequent brand loyalty. The study, which collected data from Chennai-based dealers, confirms that Ramco is recognized for its high and consistent product quality. Crucially, the analysis reveals that while quality is high, the clarity of detailed product information does not significantly drive dealer commitment, suggesting that dealers prioritize commercial incentives, competitive pricing, and reliable operations (logistics and support) over detailed quality information when determining their level of brand loyalty. Therefore, the key to fostering long-term brand loyalty is aligning Ramco's inherent product strengths with strong operational reliability and robust commercial benefits.

**Keywords:** Dealer Satisfaction, Brand Loyalty, Ramco Cements, Cement Industry, Channel Performance, Incentive Schemes, Channel Marketing, Dealer Profitability, Dealer Support, Marketing Support

## INTRODUCTION

In the cement industry, where products are largely similar and price competition is fierce, companies depend on their distribution networks to maintain their market position. Dealers serve as the primary link between manufacturers and customers, and their satisfaction is crucial for brand visibility and customer recommendations. A dealer's satisfaction is influenced by several factors, including the reliability of product delivery, the consistency of product quality, and the benefits provided by the company.

When these expectations are met, dealers are more likely to promote the brand and allocate more inventory to it. This study, titled “Dealer Satisfaction and Its Influence on Brand Loyalty: A Study on Ramco Cements,” examines the main factors impacting dealer satisfaction and how they affect brand loyalty and sales results. The insights gained will help Ramco Cements enhance dealer relationships and strengthen its market position.

## REVIEW OF LITERATURE

**Edenred India (2025)**, Contractor & Painter Loyalty Program Boosts Product Preference and Market Share: Their case study on a QR-code-based loyalty program emphasized how rewarding contractors and painters boosted brand preference, reduced complaints, and increased dealer retention.

**Jaya Raghavendran P. & Priyadharshini Dr. (2025)**, The Organisation Study of Cement Brands and Its Market Potential in Porur Area: Their study emphasized that training, incentives, and consistent communication improve dealer performance and brand strength.

**Parveen Kumar, Chandan Singh & Kapil Kumar Aggarwal (2025)**, A Study of Managing Customer Relationships for Sustainable Growth in the Cement Industry in India: Their study emphasized the need for long-term, stakeholder-centric CRM—including dealers—to ensure sustainable growth and a stable market.

**Ramco Cements Ltd. (2025)**, Integrated Annual Report FY 2024–25: Their annual report emphasized continuous investment in “digital intelligence” to deepen dealer engagement and improve satisfaction.

## STATEMENT OF THE PROBLEM

Ramco Cements operates in a highly competitive, cost-conscious market where sustaining sales levels and geographic coverage depends heavily on dealer commitment; however, while the company recognizes that factors like quality, logistics, and fair business practices influence dealer loyalty, it currently lacks detailed insight into how these elements translate directly into measurable commercial outcomes, specifically sales volume. This knowledge gap makes resource allocation unclear and increases the risk of losing valuable dealers to competitors, which is why this study aims to identify the most critical aspects of dealer satisfaction needed for both retention and improving sales consistency.

## SCOPE OF STUDY

The scope of the study is strictly limited to the Business-to-Business (B2B) distribution channel for RAMCO Cements, utilizing primary data collected from active authorized Dealers and Sub-Dealers. The study's core focus is to empirically analyse the relationship between five crucial independent variables of Dealer Satisfaction—Product Quality, Pricing and Credit Terms, Promotional Schemes, Logistics Dependability, and Sales Team Support—and the key dependent variable, Brand Loyalty, which is specifically measured by the dealer's expressed intention to stock and promote the brand against competitors. The findings will be instrumental for RAMCO Cements, offering actionable insights to pinpoint specific strengths and weaknesses across these satisfaction drivers, ultimately enhancing behavioural intent and strategically supporting the strengthening of Brand Loyalty within its distribution network. Furthermore, the methodology and results are designed to be broadly applicable to other cement manufacturers operating under similar B2B models.

## LIMITATIONS OF THE STUDY

This research is subject to several key limitations that qualify the application and generalizability of its findings. The primary constraint is the use of a convenience sample of dealers situated exclusively in the Chennai area, which inherently restricts the results from being fully representative of RAMCO Cements' distribution network across different regions. Furthermore, the cross-sectional data collection provides only a single snapshot in time, making it impossible to analyse the evolution of dealer satisfaction and loyalty over an extended period. The findings are also potentially susceptible to response bias, where dealers might strategically alter their answers due to social desirability or to influence future company policies. Crucially, the study's reliance on stated loyalty (expressed intention to stock and promote) may not perfectly reflect actual purchasing behaviour, which is often governed by immediate profitability and cash flow considerations. Finally, the difficulty in establishing a clear causal link due to uncontrolled external factors, coupled with RAMCO Cements' inability to share confidential financial data, prevents the linkage of dealer satisfaction to objective performance metrics like actual sales volume.

## OBJECTIVES OF THE STUDY

- Assess dealer satisfaction with RAMCO Cements' product quality, performance, and related support systems.
- Correlate dealer satisfaction, particularly with product quality, to sales volume.

## RESEARCH METHODOLOGY

### Research Design

A descriptive research design was selected to examine customer churn factors within a quantitative framework.

### Data Collection

Data were collected using a structured questionnaire with rating scales, including a five-point format.

### Sampling

The research used a convenience sampling method, selecting authorized dealers and sub-dealers based on accessibility and willingness to participate. A sample of 110 dealers was selected from a population of 150.

### Data Analysis

Quantitative methods were used to identify relationships between satisfaction factors and loyalty outcomes. Secondary data from company documents and industry references supported the primary findings.

## DATA ANALYSIS

### 1. Frequency Analysis results - consistency of RAMCO Cements' product quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Consistent	53	48.2	48.2	48.2
	Very Consistent	57	51.8	51.8	100.0
	Total	110	100.0	100.0	

### INTERPRETION:

All respondents agreed that Ramco’s product quality remains consistently reliable, with over half rating it as “Very Consistent.”

### 2. Spearman’s Correlation - percentage of dealership's total cement sales

#### Hypothesis

- **H<sub>0</sub>:** There is no significant relationship between clarity of quality information and the percentage of Ramco sales.
- **H<sub>1</sub>:** There is a significant relationship.

Spearman's rho	3. On a scale of 1 to 5, how clear and easy to understand is the information you receive about product quality and performance?	Correlation Coefficient	1.000	-.015
		Sig. (2-tailed)	.	.874
		N	110	110
	6. How has your sales volume of RAMCO Cements products changed over the last financial year?	Correlation Coefficient	-.015	1.000
		Sig. (2-tailed)	.874	.
		N	110	110

#### Interpretation

Clearer information about quality does not automatically translate into higher sales or stronger loyalty. Dealers appear more influenced by commercial benefits than by descriptive product details.

### 3. Chi-Square test - percentage of stocking competitor’s product

#### Hypothesis:

- **Null (H<sub>0</sub>):** The dealer's overall satisfaction is **not associated** with their likely reaction to a competitor's lower price .

- **Alternative (H<sub>a</sub>):** The dealer's overall satisfaction is **associated** with their likely reaction to a competitor's lower price i.e., satisfied dealers are less likely to switch.

**Chi-Square test of dealer's overall satisfaction vs competitor's lower price**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.113 <sup>a</sup>	12	.693
Likelihood Ratio	10.297	12	.590
Linear-by-Linear Association	1.626	1	.202
N of Valid Cases	110		

**Interpretation**

There is no statistically significant association between overall satisfaction and the likelihood of switching in response to a competitor’s low price.

**FINDINGS**

Ramco Cements has achieved very high dealer satisfaction (mean 8.49/10), which is primarily driven by its consistent and reliable product quality. However, there is a perception gap: while the quality is strong, dealers often don't fully understand or appreciate the detailed benefits of Ramco's quality standards.

Crucially, high product quality alone does not translate into increased sales volume. Instead, dealer sales performance is shaped more strongly by commercial factors such as pricing, margins, and promotional support (requested by 50% of dealers) and pricing competitiveness (a persistent challenge for 40%). Therefore, to secure long-term loyalty against competitive pressure, Ramco must focus on strengthening its commercial incentives and operational support

**.SUGGESTION**

Based on the findings, Ramco Cements should recalibrate its strategy by prioritizing commercial and operational engagement over solely emphasizing product quality validation. The primary focus must be on introducing improved promotional schemes and incentive programs to meet the widespread dealer demand for better financial motivation and competitive support. Optimizing dealer margins is also essential, as competitive pricing remains the central determinant of a dealer's willingness to prioritize Ramco products.

On the operational front, Ramco Cements needs to concentrate on enhancing delivery dependability. This involves implementing structured tracking systems, clearer communication of expected delivery times, and streamlining logistics processes. Providing dealers with real-time inventory visibility would also boost efficiency. Finally, adopting a structured partnership model with tier-based benefits and targeted engagement—especially for neutral dealers—can effectively deepen relationships, allowing resources previously spent on product validation to be redirected toward these key commercial and logistics improvements.

## CONCLUSIONS

The study highlights that Ramco Cements' consistently strong product quality plays an essential role in shaping dealer satisfaction. However, satisfaction alone does not ensure increased sales or loyalty. Dealers prioritise pricing, incentives, and operational support over product explanations when choosing how much to promote the brand.

To sustain long-term loyalty and strengthen its distribution network, Ramco must align its quality advantage with strategic commercial initiatives, targeted communication, and reliable operational systems. By addressing these factors, the company can enhance dealer partnerships and secure its position in the competitive cement market.

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