

A Comprehensive Study on Brand Loyalty and Customer Retention Strategies of ACC Limited

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Abstract: Brand loyalty and customer retention are critical determinants of long-term business success, particularly in highly competitive industries such as the cement sector. This study explores the factors that influence customer loyalty and retention strategies employed by ACC Limited, a leading cement manufacturer in India. The research adopts a mixed-methods approach, collecting data from 164 respondents through structured surveys. The findings suggest that product quality, brand reputation, and after-sales service play significant roles in fostering brand loyalty. Additionally, pricing strategies, promotional campaigns, and digital engagement have a measurable impact on customer retention. While ACC Limited enjoys strong brand recognition, nearly 51.8% of respondents considered switching to competitors, highlighting the need for stronger loyalty-building measures. The study recommends leveraging digital marketing, personalized customer engagement strategies, and improved after-sales support to strengthen customer retention. Furthermore, sustainability initiatives and eco-friendly product offerings can enhance brand loyalty by aligning with evolving consumer preferences. The findings provide actionable insights for ACC Limited and other firms in the cement industry to refine their customer retention strategies and sustain competitive advantages in an evolving market landscape.

Keywords: Brand Loyalty, Customer Retention, ACC Limited, Marketing Strategies, Customer Satisfaction, Cement Industry, Digital Marketing, Sustainability

1. INTRODUCTION

1.1 Background

Brand loyalty and customer retention are fundamental to business sustainability, particularly in industries where product differentiation is minimal. The cement industry, characterized by price sensitivity, extensive competition, and evolving consumer preferences, faces unique challenges in maintaining long-term customer relationships. ACC Limited, a leading player in India's cement sector, has established a strong reputation through product

quality, brand trust, and extensive distribution networks. However, with increasing competition from domestic and international brands, sustaining brand loyalty requires continuous innovation and customer-centric strategies.

The significance of brand loyalty extends beyond repeat purchases. Loyal customers contribute to positive word-of-mouth marketing, reduce customer acquisition costs, and enhance overall brand equity. In a commoditized industry such as cement, where switching costs are relatively low, fostering customer retention demands a multi-faceted approach involving superior product quality, customer service, targeted marketing campaigns, and loyalty programs.

1.2 Problem Statement

Despite ACC Limited's strong market presence, customer retention remains a concern due to aggressive competition and evolving consumer expectations. While factors such as price, distribution efficiency, and brand perception influence loyalty, limited research has examined how these variables specifically impact customer retention in the cement industry. The challenge lies in identifying and implementing strategies that can effectively enhance brand loyalty and minimize switching behavior.

1.3 Objectives

- To analyze key factors influencing brand loyalty in the cement industry.
- To assess the impact of customer satisfaction on brand retention.
- To explore the role of digital marketing and after-sales support in customer engagement.
- To provide recommendations for improving brand loyalty strategies at ACC Limited.

1.4 Hypothesis

H1: Customer satisfaction significantly influences brand loyalty.

H2: Competitive pricing has a direct impact on customer retention.

H3: Digital marketing plays a crucial role in enhancing brand loyalty.

H4: Sustainability initiatives positively affect long-term customer retention.

2. LITERATURE REVIEW

Brand loyalty and customer retention have been extensively studied across industries, with various models and frameworks developed to understand consumer behavior. Aaker (1991) emphasizes that brand equity—comprising brand awareness, perceived quality, brand associations, and loyalty—is critical for sustaining long-term customer relationships. Chaudhuri and Holbrook (2001) argue that brand trust and affective commitment play a significant role in consumer decision-making, leading to higher retention rates.

Several studies highlight that customer satisfaction is a primary determinant of loyalty (Anderson & Mittal, 2000). Satisfied customers are more likely to exhibit repeat purchase behavior and advocate for the brand. Reichheld and Schefter (2000) further argue that retaining existing customers is more cost-effective than acquiring new ones, underscoring the importance of customer engagement strategies.

Digital transformation has reshaped brand loyalty mechanisms, with social media engagement and online customer experiences becoming pivotal in fostering loyalty (Brodie et al., 2011). The role of sustainability is also gaining prominence, with research indicating that environmentally responsible brands tend to develop stronger customer connections (Bhattacharya & Sen, 2004). Despite these insights, limited studies have focused on how these factors influence loyalty in the cement industry, creating a research gap that this study aims to address.

3. RESEARCH METHODOLOGY

3.1 Study Design

A mixed-methods approach was adopted, combining quantitative surveys and qualitative interviews. The study analyzed customer purchase patterns, satisfaction levels, and retention challenges.

3.2 Data Collection

Primary Data: Primary data was collected using a structured questionnaire administered to 164 respondents, focusing on purchase behavior, brand perception, satisfaction levels, and switching intentions.

Secondary Data: Secondary data was gathered from industry reports, academic journals, and corporate case studies.

3.3 Sampling Techniques

Population: ACC Cement customers across different regions.

Sample Size: 164 respondents.

Sampling Method: Stratified random sampling to include diverse demographics.

3.4 Data Analysis

The collected data was analyzed using statistical techniques, including regression analysis and correlation testing, to examine relationships between brand loyalty, satisfaction, and retention.

4. RESULTS AND DISCUSSION

4.1 Brand Awareness and Engagement

The survey revealed that 46.3% of customers learned about ACC Cement through advertisements, with word-of-mouth referrals accounting for 28%. Social media engagement remains limited, highlighting an opportunity for expansion in digital outreach.

4.2 Factors Influencing Brand Loyalty

- Quality (48.8%) and brand reputation (25%) were the primary loyalty drivers.
- Competitive pricing influenced 14.6% of customers.
- Customer service was a secondary but significant factor.

4.3 Customer Retention Gaps

- 51.8% of customers considered switching brands.
- Customers expected better dealer support, loyalty incentives, and after-sales service.
- 40.9% suggested more discounts as a retention strategy.

4.4 Interpretation and Critical Analysis

While ACC Limited has strong brand loyalty, customer expectations for personalized engagement and technical support remain unmet. Retention challenges suggest a need for improved customer relationship management and loyalty incentives.

5. CONCLUSION AND FUTURE SCOPE

5.1 Conclusion

Brand loyalty at ACC Limited is primarily driven by quality and reputation. However, gaps in engagement and after-sales support present retention challenges. Addressing these gaps through strategic initiatives can enhance long-term customer relationships.

5.2 Recommendations

- Digital Expansion: Strengthen social media engagement to foster community-driven loyalty.
- Sustainability Initiatives: Introduce eco-friendly cement options to align with evolving consumer expectations.
- Loyalty Programs: Develop reward-based programs to enhance repeat purchases.

5.3 Future Scope

- Expansion of digital marketing to increase brand awareness.
- Introduction of loyalty programs with rewards for repeat customers.
- Enhanced technical support and training for dealers.
- Longitudinal studies on customer satisfaction trends in the cement industry.

5.3 Future Research

Future studies should explore the impact of artificial intelligence and predictive analytics in customer retention strategies. Additionally, cross-industry comparisons could provide broader insights into customer loyalty dynamics.

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