

# A Study on The Factors Influencing Customer Retention And Growth At Pricol Precision Products Pvt Ltd, Hosur

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**Abstract-** This study explores the critical factors that drive customer retention and growth at Pricol, a leading manufacturer in the automotive components industry. As competition intensifies and customer expectations evolve, retaining existing customers while fostering business expansion has become a strategic priority. The research investigates key determinants such as product quality, service responsiveness, pricing strategies, innovation, and customer relationship management. Through a combination of primary data collection and secondary research, the study analyzes how these factors influence customer loyalty and long-term partnerships. The findings aim to provide actionable insights that can help Pricol strengthen its market position, enhance customer satisfaction, and achieve sustainable growth in the dynamic automotive sector.

**Keywords-** Customer retention, customer satisfaction, customer loyalty, service quality, business growth, customer services.

## I. INTRODUCTION

Pricol Precision Products Private Limited is a leading automotive components manufacturer with a strong presence in domestic and international markets. Established in 1988 as Sundaram Auto Components Limited, the company now offers end-to-end injection-moulded plastic solutions for two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles. With over 25 years of experience, Pricol operates from six strategic locations in India and emphasizes high-quality, value-added services guided by Total Quality Management (TQM).

The automotive components industry is rapidly evolving due to technological advancements, the rise of electric vehicles (EVs), and changing customer expectations. In this dynamic landscape, customer retention and business growth are crucial. This study explores key factors influencing customer loyalty and satisfaction at Pricol—such as product quality, after-sales service, pricing, and customer

relationships—using both qualitative and quantitative methods. The insights aim to help Pricol enhance its retention strategies and drive sustainable growth.

## II. LITERATURE REVIEW

- **Romagia, R., Indrayani, I., &Damsar, D. (2025)** The Role of Digital Marketing in Customer Retention: A Mediated Analysis of Perceived Value, the Golden Ratio in Marketing, and Business Psychology This study explores the influence of digital marketing on customer retention, with perceived value serving as a mediator..
- **Mbanuzue, C. E. (2024).** The Role of Predictive Analytics in Enhancing Customer Retention Strategies in E-commerce. This research explores how predictive analytics can improve customer retention strategies in e-commerce.
- **Rosario Alberico, Rosario, and Silva (2023)** This review emphasizes the impact of relationship marketing on customer retention. It highlights that relationship marketing significantly influences customer satisfaction, trust, commitment, and communication, which are critical for retaining customers..
- **Reddy, S. G. (2022).** Leveraging AI to Boost Customer Retention in E-Commerce: Predictive Analytics, Personalization, and Loyalty Strategies. Published in the Australian Journal of Machine Learning Research & Applications.
- **Salma.s, Alkitbi (2021):** Their review highlights key factors like service quality, trust, satisfaction, and commitment as the biggest drivers of customer retention, making it clear that businesses need to nurture strong relationships with their client.

## OBJECTIVES OF THE STUDY

### PRIMARY OBJECTIVES

- A study on what key factors that influence business retention at pricol.

## SECONDARY OBJECTIVES

- To understand how customer services will help to business growth
- To analyse whether the QCD have any influence on the business retention.

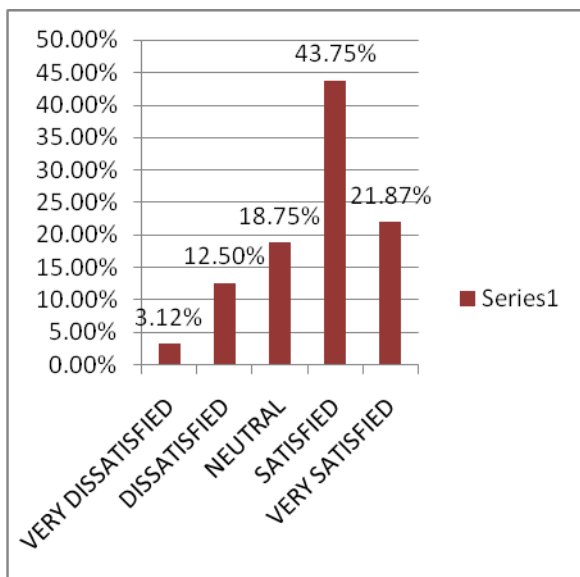
## RESEARCH METHODOLOGY

Descriptive research design aims to describe and summarize characteristics or behaviors of a population or phenomenon. These can vary depending on the nature of the research, primary and secondary Data are the major sources which are commonly used. Primary data collected through questionnaire. Secondary data collected through Internet, Journals, Articles. Here 32 is the total number of respondents in this research study. The questionnaire which consist of 21 Questions. And Open -ended, Likert scale, multiple choices, Linear scale Questions type are used.

### III. DATA ANALYSIS TOOL

#### PERCENTAGE ANALYSIS

Satisfied with companies products and services



From the above we could understand that 43.75% are satisfied with products and services of the organization and 21.87% are very satisfied, 18.75% are neutral, 12.50% are dissatisfied and 3.12% respondents are very dissatisfied.

## CHI SQUARE

the relationship between duration of association with the organization and customers satisfaction level with company's product and services.

H<sub>0</sub>: There is no significant relationship between the duration of association with the organization and the satisfaction level with company's product and services.

H<sub>1</sub>: There is a significant relationship between the duration of association with the organization and satisfaction with the company's products and services

Critical value-0.05

P<0.05 accept the null hypothesis.

p>0.05 accept the alternative hypothesis

## EXPECTED FREQUENCY

| DURATION          | VERY DISSATISFIED | DISSATISFIED | NEUTRAL | SATISFIED | VERY SATISFIED | TOTAL |
|-------------------|-------------------|--------------|---------|-----------|----------------|-------|
| less than 3 years | 0.15625           | 0.625        | 0.9375  | 2.1875    | 1.09375        | 5     |
| 3 to 5 years      | 0.21875           | 0.875        | 1.3125  | 3.0625    | 1.53125        | 7     |
| 5 to 7 year       | 0.34375           | 1.375        | 2.0625  | 4.8125    | 2.40625        | 11    |
| 7 to 10 years     | 0.125             | 0.5          | 0.75    | 1.75      | 0.875          | 4     |
| more than 10      | 0.15625           | 0.625        | 0.9375  | 2.1875    | 1.09375        | 5     |
| TOTAL             | 1                 | 4            | 6       | 14        | 7              | 32    |

## CALCULATIONS

Critical value 5%=0.05

X<sup>2</sup> value (p) = 0.077

p<0.05 H<sub>0</sub> accept

p>0.05 H<sub>1</sub> accept

p=0.077>0.05 H<sub>1</sub> Accept.

We reject null hypothesis and accept alternative hypothesis

There is a significant relationship between the duration of association with organization and Satisfaction with organizations product and services.

## WEIGHTED AVERAGE

which factors influencing to improve customer retention

| X | W <sub>x1</sub>         | X | W <sub>x2</sub>         | X | W <sub>x3</sub>         | X | W <sub>x4</sub>         | X | W <sub>x5</sub>         |
|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|
| 1 |                         | 2 |                         | 3 |                         | 4 |                         | 5 |                         |
| 8 | 40                      | 5 | 25                      | 3 | 15                      | 3 | 15                      | 1 | 50                      |
| 1 | 68                      | 2 | 92                      | 2 | 100                     | 1 | 64                      | 1 | 68                      |
| 7 |                         | 3 |                         | 5 |                         | 6 |                         | 7 |                         |
| 5 | 15                      | 3 | 9                       | 2 | 6                       | 8 | 24                      | 2 | 6                       |
| 2 | 8                       | 1 | 1                       | 2 | 4                       | 4 | 8                       | 2 | 4                       |
| 0 | 0                       | 0 | 0                       | 0 | 0                       | 1 | 1                       | 1 | 1                       |
|   | W <sub>x1</sub><br>=131 |   | W <sub>x2</sub><br>=127 |   | W <sub>x3</sub><br>=125 |   | W <sub>x4</sub><br>=112 |   | W <sub>x5</sub><br>=129 |

(w= (5+4+3+2+1)=15

WEIGHTED AVERAGE= ({WX<sub>1</sub>})/({W})

(Where i=1,2,3,4....)

W<sub>1</sub>=131/15=8.7

W<sub>2</sub>=127/15=8.4

W<sub>3</sub>=125/15=8.3

W<sub>4</sub>=112/15=7.4

W<sub>5</sub>=129/15=8.6

| PARTICULAR                    | WIGHTED AVERAGE | RANK |
|-------------------------------|-----------------|------|
| Improve product quality       | 8.7             | 1    |
| Improve communication         | 8.4             | 3    |
| Enhance customer service      | 8.3             | 4    |
| Provide more loyalty programs | 7.4             | 5    |
| Lower prices                  | 8.6             | 2    |

Above table shows that customers opinion towards rating various factors. According to this measures product quality is ranked first, lower prices ranked second, improve communication ranked third, customer services ranked fourth, loyalty program ranked fifth.

#### CORRELATION ANALYSIS

We will perform correlation test between the two sets of data (customer service rating and communication rating)

H<sub>0</sub>: There is no significant relationship between the customer service and communication.

H<sub>1</sub>: There is significant relationship between the customer service and communication.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

| X    | Y    | XY      | X <sup>2</sup>      | Y <sup>2</sup>      |
|------|------|---------|---------------------|---------------------|
| 1    | 2    | 2       | 1                   | 4                   |
| 4    | 5    | 20      | 16                  | 25                  |
| 8    | 9    | 72      | 64                  | 81                  |
| 14   | 14   | 196     | 196                 | 196                 |
| 5    | 2    | 10      | 25                  | 4                   |
| X=32 | Y=32 | ΣXY=300 | X <sup>2</sup> =302 | Y <sup>2</sup> =310 |

r= 0.94

The above correlation test indicates a perfect positive linear relationship between two variables, It means one variable increases, the other variable also increase as well. When communication increasing the customer services also increasing.

#### IV. SUGGESTIONS

To enhance customer retention and growth, it is recommended that Pricol implement a mix of strategic initiatives based on customer feedback. Rewarding long-term customers with discounts and personalized incentives can address mixed responses toward loyalty programs. Strengthening communication through digital updates, newsletters, a customer portal, and dedicated account managers, along with regular surveys, will improve engagement and identify retention risks. Organizing frequent tech shows, building a stronger digital presence through video content and case studies, and showcasing innovations can enhance brand visibility. Emphasizing competitive pricing through packaging improvements, offering volume-based discounts, and flexible payment terms will attract and retain customers. Enhancing customer support by investing in training, technology, 24/7 assistance, and a dedicated support team can significantly improve satisfaction. Additionally, introducing real-time delivery tracking, increasing R&D to boost product durability and performance, and using customer feedback to refine products and services—alongside strengthened quality control—will build trust and long-term customer loyalty.

## V. CONCLUSION

The study on factors influencing customer retention and growth at Pricol highlights the key drivers of customer loyalty in the auto components industry. Competitive pricing, excellent customer support, and product innovation emerge as critical elements in retaining customers and fostering long-term relationships. The research findings indicate that customers prioritize cost-effective solutions without compromising quality, making it essential for Pricol to maintain its competitive edge through pricing strategies and superior service. Investments in R&D, customer feedback integration, and structured communication strategies have been identified as essential measures to enhance product performance and customer satisfaction. The study also reveals that loyalty programs and flexible payment options can positively impact retention rates, provided they are aligned with customer expectations. Moreover, organizing technology showcases and customer engagement initiatives can strengthen brand positioning and market presence.

To sustain growth, Pricol must continue refining its customer infrastructure, leveraging technological advancements, and addressing customer concerns proactively. Implementing structured customer surveys and real-time feedback mechanisms will enable the company to identify potential risks and areas for improvement. Ultimately, a customer-centric approach combined with continuous innovation will be key to ensuring long-term success and competitiveness in the auto components industry.

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