Determinants Of Brand Loyalty In The Iron And Steel Sector: Consumer Perspectives With Special Reference To Musiri

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Abstract

This research investigates the determinants of brand loyalty within the iron and steel sector of Musiri, specifically examining how product attributes, customer satisfaction, and relationship management influence repeat purchase behavior. Utilizing a descriptive research design and convenience sampling, primary data was collected from a diverse group of stakeholders, including professional contractors, civil engineers, and individual homebuilders. The findings identify product quality as the primary determinant of brand loyalty, significantly outweighing the influence of price or traditional advertising. Statistical analysis confirms a robust positive correlation between perceived quality and loyalty, while an even stronger relationship was found between relationship management—encompassing dealer trust and after-sales service—and future purchase intentions. The study concludes that brand loyalty in this region is primarily driven by technical excellence and deep-rooted dealer-customer trust, suggesting that firms should prioritize service quality and professional relationship building over aggressive price-based competition to secure sustainable market share.

Keywords: Iron and steel sectors, brand loyalty, service quality, customer satisfaction and customer intentions.

Introduction

The iron and steel sector is the primary driver of the construction and infrastructure industries. Unlike fast-moving consumer goods, iron and steel products are high-involvement purchases characterized by technical specifications, long-term structural impact, and high financial stakes. Brand Loyalty in this sector represents the consistent preference and repeat purchase of a specific manufacturer's steel, serving as a critical indicator of market stability and competitive advantage.

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The Determinants of Brand Loyalty encompass a spectrum of internal and external factors. At the core are product-specific attributes, such as tensile strength, ductility, and corrosion resistance, which form the technical foundation of trust. However, loyalty is also shaped by external market forces, including pricing structures, local availability, and the influence of professional recommendations from experts like civil engineers and contractors.

Central to sustaining this loyalty are Customer Satisfaction and Relationship Management. Satisfaction reflects the gap between a buyer's expectations and the actual performance of the brand, while relationship management focuses on the "human element" of the trade. In a localized retail environment, this involves dealer-customer trust, credit accessibility, and logistical efficiency in after-sales service. Focusing on Musiri provides a localized perspective on how these global industrial variables interact within a specific community of professional and individual builders.

Review of literature

Mahajan, J., & Sah, J. (2025)[3], This study identifies key determinants of loyalty among *industrial clients* in the steel sector — including **product quality, on-time delivery, pricing consistency, technical support, and after-sales service.** It demonstrates that **customer satisfaction and trust** are crucial in building long-term relationships and retaining buyers in a competitive B2B steel market, directly aligning with brand loyalty factors relevant to your research title.

Abd Jabar, F., & Mohd Noor, M. N. (2025)[4], This bibliometric review maps emerging trends and determinants in brand loyalty research — including **customer satisfaction, emotional engagement, corporate social responsibility (CSR), digital marketing, and relationship quality**. While not sector-specific, the study's identified determinants provide a **broader theoretical foundation** applicable to understanding loyalty drivers for steel buyers in both B2B and evolving B2C contexts.

J. Affrin Begam, Dr. S. Pougajendy (2024)[5], Focusing on **marketing strategy effects on brand loyalty in the steel industry**, this study identifies how promotional campaigns, CRM (customer relationship management), digital outreach, and after-sales support impact loyalty among dealers in Chennai. The research shows that **dealer satisfaction with pricing, delivery reliability, and brand communication** influences repeat purchases and advocacy, suggesting that targeted marketing and relationship-based strategies can strengthen long-term loyalty even in industrial sectors like steel.

Begam and Pougajendy (2024)[6] explored how **marketing strategies of Jeppier Steels in Chennai** influence brand loyalty among steel dealers. Employing a mixed-methods approach, the study found that **product quality, credit policies, reliable delivery, pricing strategies, and social media engagement** significantly shaped *dealer buying behaviour and loyalty*. Dealers reported high satisfaction with the company's pricing and promotional efforts, and many indicated that **online reviews and social media presence helped form positive perceptions of the brand**. Nonetheless, the authors identified opportunities for improvement, such as expanding rural dealer outreach, enhancing product variety, and offering more flexible financial options, to strengthen market position and loyalty further.

Mahajan, J., & Sah, J. (2025)[7], This study shows that **customer satisfaction strongly influences loyalty and retention among industrial buyers in the steel sector**, with **product quality, on-time delivery, pricing, technical support, and after-sales service** identified as major determinants. Findings demonstrate that clients value **consistent product performance and dependable delivery** most, and that **effective communication and relationship management** increase trust and long-term commitment.

[3] **Mahajan, J., & Sah, J. (2025).** *The role of customer satisfaction in retaining industrial clients in steel industry. International Journal of Engineering Technologies and Management Research, 12*(3), 32–41.

[4] **Abd Jabar, F., & Mohd Noor, M. N. (2025).** *Examining the evolution of customer loyalty in brand research. International Journal of Research and Innovation in Social Science.*

[5] **J. Affrin Begam1 , Dr. S. Pougajendy (2024)[5],** *A Study on Brand Loyalty: Influence of Marketing Strategies of Jeppier Steels, Chennai. International Journal for Multidisciplinary Research, 6*(6).

[6] **Begam, J. A., & Pougajendy, S. (2024).** *A study on brand loyalty: Influence of marketing strategies of Jeppier Steels, Chennai. International Journal for Multidisciplinary Research, 6*(6).

[7] **Mahajan, J., & Sah, J. (2025).** *The role of customer satisfaction in retaining industrial clients in steel industry. International Journal of Engineering Technologies and Management Research, 12*(3), 32–41.

Although pricing is a factor, satisfaction linked to quality and service has a greater impact on loyalty outcomes, indicating that steel suppliers should focus on service excellence and relationship building to retain industrial customers.

Statement of the Problem

The iron and steel industry is often categorized by high-volume transactions where products are perceived as undifferentiated commodities. The primary challenge facing firms in this sector is the "commoditization trap," where consumers and industrial buyers prioritize the lowest price over brand value. This results in high customer churn (switching), as buyers feel little incentive to remain loyal to a specific manufacturer when a cheaper alternative is available. While marketing theory suggests that brand loyalty is built through quality and trust, there is a significant gap in understanding the specific determinants that drive repeat purchase behavior in the heavy metals industry. Standard satisfaction metrics often fail to explain why "satisfied" customers still switch brands. Furthermore, although Relationship Management (RM) is frequently cited as a solution, its practical effectiveness in fostering deep-rooted loyalty—beyond mere transactional benefits like credit terms or delivery speed—remains under-researched. Without identifying the precise factors that turn a one-time buyer into a loyal advocate, steel companies continue to struggle with unpredictable market shares and the high costs of constantly acquiring new customers. This study aims to bridge this gap by examining how product attributes, satisfaction levels, and relationship strategies combine to create sustainable brand loyalty.

Objectives

To analyse the key determinants of brand loyalty among iron and steel consumers in Musiri

To examine the role of customer satisfaction and relationship management in fostering brand loyalty among iron and steel buyers in Musiri

Hypotheses

H_0 1: There is no significant relationship between perceived product quality (tensile strength) and brand loyalty among iron and steel consumers in Musiri.

H_0 2: Customer satisfaction and relationship management (after-sales service/dealer trust) do not significantly influence the future purchase intentions of buyers.

Methodology

Research Design

The study adopts a **Descriptive Research Design**. This design is chosen because it allows the researcher to accurately describe the characteristics of the consumer population and analyze the relationship between variables such as satisfaction, relationship management, and brand loyalty without manipulating the environment. It focuses on "what" the determinants of loyalty are through a systematic collection of consumer perspectives.

Data Source

The study utilizes both **Primary and Secondary data sources**. The **primary data** forms the core of the research, collected directly from the field through a structured questionnaire administered to customers at various iron and steel retail outlets. This ensures the findings reflect the real-time perspectives of active buyers. To support this, **secondary data** was gathered from industry reports, academic journals, and professional websites to provide a theoretical framework for analyzing brand loyalty and relationship management within the sector.

Sampling Technique:

The study employs Convenience Sampling, a non-probability sampling method, which was selected for its practical feasibility in a busy retail environment. This technique allowed the researcher to approach and collect data from customers who were readily available and accessible at the doorsteps of iron and steel shops during their time of purchase. By focusing on these individuals, the study captures the immediate perspectives of active buyers, providing timely and relevant insights into the factors that influence their brand choices and loyalty.

Sample Unit:

Professional Contractors, Civil Engineers, Retailers, Masons and Individual homebuilders who visit iron and steel shops for purchase.

Sample Size:

The study was conducted with a total sample size of 150 respondents. This size was determined to be sufficient to provide a representative cross-section of the diverse consumer base in the iron and steel market. The participants included a mix of Professional Contractors, Civil Engineers, Retailers, Masons and Individual homebuilders ensuring that the data reflects a wide range of perspectives on brand loyalty and purchasing behavior.

Sampling Location:

Data collection was conducted at the doorsteps of iron and steel selling points (retail shops) across the study area (Musuri). This ensured that the respondents were actual buyers with immediate experience regarding the brands they chose.

Research Tool:

A **Interview Schedule** was used as the primary tool. It was designed with a mix of Likert-scale questions (e.g., Strongly Agree to Strongly Disagree) to measure satisfaction and loyalty, as well as multiple-choice questions for demographic profiles.

Results and Discussions

The data reveals a significant gender gap in the iron and steel purchasing process in Musiri, with **88% (132 respondents)** being Male and only **12% (18 respondents)** being Female. This indicates that procurement and construction-related decision-making in this region remain predominantly male-driven.

The largest group of buyers are **Professional Contractors (31.33%)**, followed by **Civil Engineers (22.67%)**. This suggests that brand loyalty is not just influenced by end-users (Individual Homebuilders), but largely by "influencers" and technical experts. Marketing efforts should, therefore, target these professionals who act as gatekeepers for brand selection.

A vast majority of the respondents **(72%)** purchase iron and steel on an **"Occasionally (Project-based)"** basis. This is typical for the construction sector, where buying happens in bulk during specific phases of building. Only **19.33%** are frequent monthly buyers, likely representing large-scale contractors or secondary retailers.

TATA (48%) emerges as the market leader in Musiri, followed by **JSW (28%)** and **Jindal (24%)**. The dominance of TATA suggests that established national brand equity and perceived trust play a massive role in the local Musiri market.

The analysis of brand loyalty determinants reveals that Product Quality, specifically high tensile strength, is the most dominant factor influencing consumers in Musiri, as evidenced by its high mean score of 3.98. With a relatively narrow confidence interval of 3.78 to 4.18, it is clear that there is a strong and consistent consensus among respondents that the structural reliability of the steel is the primary reason for their brand commitment. This indicates that for heavy construction materials, functional performance is the ultimate foundation of loyalty, far outweighing any other marketing or logistical considerations.

Interestingly, the study finds that social and professional validation, represented by Colleague Recommendations (Mean: 2.77), holds more influence than price or availability. In the specialized community of Musiri, where contractors, engineers, and masons frequently interact, word-of-mouth serves as a powerful trust-building mechanism. This suggests that loyalty in this sector is often "socially reinforced," where the shared experiences of peers carry more weight in maintaining a brand relationship than the manufacturer's own claims or promotional activities.

In contrast, the factors typically associated with "commodity" markets—Price (Mean: 2.47) and Local Availability (Mean: 2.09)—recorded significantly lower scores. This is a vital insight for the industry, as it suggests that consumers are not simply looking for the cheapest or most convenient option. Instead, the Musiri consumer is a "quality-conscious" buyer who is willing to bypass lower-priced alternatives or wait for stock to arrive if it means securing a brand they trust for its strength.

Finally, Advertisements and Endorsements emerged as the weakest determinant with the lowest mean score of 1.78. The low standard deviation (1.04) reflects a uniform lack of interest in traditional media influence. This highlights a highly rational decision-making process where buyers are immune to celebrity appeal or flashy marketing. For the iron and steel sector in Musiri, the data proves that loyalty is earned on the construction site through technical excellence rather than on the television screen through mass advertisements.

The results highlights a very strong connection between post-purchase experience and long-term commitment. Customer Satisfaction (Mean: 4.24) and Purchase Intention (Mean: 4.24) emerged as the highest-rated variables in the entire study. This identical high score suggests that in the Musiri iron and steel market, satisfaction is not just a "feeling" but a functional driver that directly leads to repeat buying behavior. The low standard deviation for satisfaction (0.98) indicates that most respondents have had a consistently positive experience with their preferred brands, which serves as the primary anchor for their loyalty.

The "human element" of the transaction also plays a vital role, as seen in the scores for After-sales Service (Mean: 4.06) and Dealer Relationships (Mean: 3.59). In the heavy materials sector, logistics such as loading, unloading, and timely delivery are major pain points for builders. Brands and shops that provide excellent service in these areas earn significantly higher loyalty. Furthermore, the personal trust between the buyer and the dealer acts as a "relational bond" that makes it harder for a competitor to steal the customer away based on price alone. This proves that while the brand name is on the product, the local dealer's service is what maintains the relationship.

Finally, the study underscores the importance of financial and logistical support in fostering stickiness. Credit Facilities and Flexible Payment Plans (Mean: 3.39) were identified as significant contributors to loyalty. For many contractors and individual builders in Musiri, construction is a long-term financial commitment; therefore, dealers who offer credit support create a high "switching cost" for the consumer. When combined with high satisfaction, these relationship-based factors ensure that 89 respondents (the majority) strongly intend to continue purchasing the same brand for all their future needs, effectively insulating the brand from market volatility.

The individual-level correlation analysis confirms a robust positive relationship between product quality and brand loyalty ($r = 0.840$, $p < 0.01$). This high correlation suggests that for the 150 respondents in Musiri, the technical reliability of the iron and steel brand is the primary driver of their repeat purchase intention. Since the p-value is significantly lower than 0.05 (and even 0.01). Hence **Reject the Null Hypothesis** (H_01) and conclude that the relationship is statistically significant. The finding underscores that quality consistency is not just a satisfaction factor but the core 'loyalty anchor' in this industrial sector.

The statistical analysis for the second hypothesis reveals a near-perfect positive correlation ($r = 0.927$, $p < 0.01$) between Relationship Management and Purchase Intention. This indicates that in the Musiri iron and steel market, loyalty is not merely a result of product attributes, but is heavily anchored in the overall customer experience and the trust built with dealers. With an R^2 of 0.859, Since the p-value is effectively zero, we **Reject the Null Hypothesis** (H_02) and accept the Alternative Hypothesis. The study proves that

satisfaction and service support are the most critical predictors of long-term buyer retention, suggesting that relational marketing strategies are more effective than aggressive price-cutting for market stability.

Conclusion

The study on brand loyalty in the Musiri iron and steel sector demonstrates that long-term retention is built on a dual foundation of technical excellence and relational trust. While the industry is often perceived as a price-sensitive commodity market, the findings reveal that consumers particularly professional influencers like contractors and engineers prioritize high tensile strength and structural reliability over cost or mass-media advertising. The strong positive correlation between product quality and brand loyalty confirms that functional performance remains the primary driver of repeat purchase behavior. Furthermore, the research highlights that customer satisfaction is effectively fostered through relationship management, where the "human element" at the retail level including dealer trust, credit accessibility, and logistical after-sales support serves as a powerful switching barrier. Ultimately, the results suggest that steel manufacturers can avoid the commoditization trap by shifting their focus from aggressive price-cutting toward maintaining stringent quality standards and strengthening professional networks, thereby ensuring brand insulation from market volatility and securing a sustainable competitive advantage.

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