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Consumer Perception in Alliance Stability: A Study of Renault and Nissan Buyers in India

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Abstract

One of the most competitive and rapidly expanding businesses in the world, the Indian auto industry offers an interesting context for analyzing how well multinational partnerships perform. This paper examines the strategic and operational development of the Renault-Nissan Alliance in India. The alliance took advantage of early market success, collaborative production, and cooperative product development when it was first formed with a significant investment and strategic goal. However, internal leadership voids, governance issues following Carlos Ghosn's departure, a lack of innovation specific to the Indian market, and a divergence between global strategy and local execution caused the alliance's trajectory to collapse. A structured consumer survey was used for the empirical study with a five-point Likert scale, and multiple regression analysis, chi-square testing, and principal component analysis (PCA) were used to evaluate the data. Four key elements were shown to be responsible for the variation in consumer perception which was more by 62%: ownership risk, trust and innovation, purchasing behavior, and operational alignment. The results show that consumers' perceived level of innovation and brand trust had the biggest effects on delaying purchase decisions. On the other hand, ownership risk did not affect customer behavior. To restore the alliance's reputation in India, this study highlights the strategic necessity of local leadership autonomy, market-responsive innovation, and brand reinvention. The research contributes to academic discussions on international business strategy, alliance governance, and consumer behavior in emerging markets, offering critical insights for both scholars and industry practitioners navigating cross-border joint ventures in complex, rapidly evolving environments.

Keywords: Consumer perception, Operational continuation, Renault–Nissan alliance, Principal Component Analysis, Loyalty retention, and Perceived risk of ownership

Introduction

The Indian Auto Industry is one of the largest and fastest-growing auto markets worldwide and has played a major role in India's development. India: The new land of opportunity, with a large consumer base and increasing disposable income, India has become the destination for growth and innovation in the world's automotive majors. The market segment comprises a diverse set of vehicles – two wheelers to passenger cars, commercial vehicles to now an emerging electric vehicle (EV) market driven by Government incentives and sustainability mandates. India's auto industry has experienced a dazzling transformation—from the stranglehold of legacy models like the Hindustan Ambassador and Premier Padmini, which ruled Indian roads for decades under the closed economy, to the fast-paced, globally

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connected market that it is today. The 1991 liberalization triggered a spate of change, opening the floodgates for joint ventures and foreign investment. Maruti Suzuki was the trigger, with mass-market affordability led by the likes of the Maruti 800 and then the Alto, which became India's top-selling car. The 2000s witnessed a flood of international giants like Hyundai, Ford, Toyota, Renault, and Nissan pouring in, lured by India's demographic dividend and increasing purchasing power. While early birds like the Hyundai Santro and Ford Ikon found traction, several global players later exited due to low localization, high operational costs, and underestimation of Indian consumer behaviour.

Indian titans like Tata Motors and Mahindra, in the meantime, soon adapted, surfing the SUV wave and altering safety tastes. The industry has evolved further with growing compliance, digitalization, and a strong policy push for EVs. Car sales per annum have leaped from around 1.5 million in 2008 to over 4.2 million in FY24, as India has become a manufacturing and consumption behemoth. For auto makers, domestic or foreign, India is no longer just a growth market but a strategic imperative in the global automotive value chain.

Table 1: Automobile Industry Performance (in lakhs)

Company	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Maruti Suzuki	17.53	14.84	13.61	13.65	15.52	17.55
Hyundai	7.10	5.10	4.71	4.81	5.60	6.05
Tata Motors	2.10	1.32	2.23	3.70	5.38	5.69
Mahindra	2.54	1.86	1.58	2.25	3.58	5.27
Toyota	1.50	1.08	0.93	1.23	1.73	2.69
Kia	—	0.45	1.55	1.86	2.69	2.94
Honda	1.83	1.02	0.82	0.85	0.91	0.69
Renault	1.28	0.88	0.92	0.87	0.72	0.42
Nissan	0.50	0.18	0.19	0.38	0.34	0.29
MG Motor	—	0.16	0.29	0.41	0.48	0.61

Source: Data compiled from SIAM reports, Autocar India, Financial Express, Autopunditz

Formation of the Renault-Nissan Alliance

Global Context: Established in 1999, the alliance was negotiated to bring two automakers together through a complicated "cross-shareholding" arrangement in which one company acquired a sizable stake in the other—Renault owns 44.4% of Nissan, and Nissan later acquired a 15% non-voting stake in Renault. By sharing R&D, technology, and platforms, the loose supervision of one another's operations increased both businesses' independence and assisted Nissan in escaping the financial crisis. The move, which came in 2016, made it one of the largest global automotive groups. The alliance masterminded big EV bets such as the Nissan Leaf and Renault ZOE and achieved cost synergies by sharing vehicle platforms. But Ghosn’s arrest in 2018 roiled governance issues and created internal strains. Recently, the

alliance has turned a new leaf towards regional independence and fresh EV-centric tactics that ensures it can survive in a fast-paced global market.

Indian Context: The Renault-Nissan Alliance entered India in 2008 with an investment of ₹4,500 crore in a 50:50 joint venture and an Oragadam, Chennai, facility with a market share target of 5%. Renault was successful with Duster and Kwid, but Micra, Sunny, and Nissan's Datsun brand lagged. Despite shared resources, the alliance lacked effective product differentiation, weak dealer networks, and misaligned strategies. Renault was able to create a stronger brand identity, but Nissan's market share dipped below 1% by 2025. The case highlights the significance of localized innovation, strategic alignment, and balance of brands in developing nations like India.

Contractual and Operational Environment

Renault and Nissan established a strategic alliance in India to combine operations to maintain their brand identities. They shared resources and production, and Nissan assumed the procurement responsibility while Renault assumed the responsibility of design and marketing. Joint development of products and cost savings were their concerns while they aimed to service both the domestic and export markets from a common Chennai plant. With a 5% market share target by 2020, the alliance became a significant player in the automotive industry in India.

Initial Market Success in India

Production Milestones and Export Achievements

Since commencing operations in 2010, the Alliance's manufacturing facility in Oragadam, Chennai, has produced approximately 2.5 million vehicles over 13 years, averaging over 192,000 units annually. This facility has rolled out around 20 different models for both domestic and international markets. Notably, over 1.15 million vehicles have been exported to more than 108 destinations, including regions in the Middle East, Europe, Latin America, and Southeast Asia.

Financial Performance

In the fiscal year 2022-2023, Renault India achieved a turnover exceeding $1 billion (approximately ₹8,612.5 crore), reflecting a 16% growth compared to the previous fiscal year. The company also reported a net profit of ₹403.5 crore ($48.52 million), marking a 21% increase from the prior year's ₹333 crore. This financial growth is attributed to an improved product mix, increased exports, and enhanced after-sales revenue.

Sales Performance

In the fiscal year 2022-2023, Renault India sold 78,926 units, capturing a 2% market share in a total passenger vehicle market of 3.89 million units. On the export front, the company shipped 34,956 units, achieving a 45% year-on-year increase from 24,117 units in the previous fiscal year.

Future Investment and Expansion Plans

Looking ahead, the Alliance has announced a planned investment of ₹5,300 crore (approximately $600 million) to develop six new models, including four C-segment SUVs and two A-segment electric vehicles. These models aim to raise the plant's capacity utilization from 47% to 80%, with production expected to start in 2025. This program is expected to create up to 2,000 new jobs in the region. These occasions demonstrate the Renault-Nissan Alliance's commitment to strengthening its position in India's dynamic automotive industry through steady production, financial growth, and strategic investments.

Review of Literature

Cultural Factors: The Renault-Nissan Alliance's overall performance improved the Cultural synergy Abu Farha (2015), and the strategic alignment ensured operational consistency and brand loyalty by bridging cultural divides Cröger (2015). According to Nwosisi (2015), the alliance's capacity to change and preserve stability over the long run was influenced by adaptation as a cultural component. Additionally, cooperation and cultural training enhanced collaboration, fostering loyalty and trust. As a whole, these studies illustrate how training, alignment tactics, and flexibility may be used for addressing cultural differences.

Organizational Adaptability: According to Nwosisi (2015), flexibility was essential to the alliance's development since it enabled Renault and Nissan to react to outside demands. This stance was further corroborated by Cröger (2015), who pointed out that the alliance was able to handle disputes and preserve continuity by combining strategic planning with flexibility. According to Autocar Pro (2023), creativity and adaptation enabled Renault-Nissan to resolve post-Ghosn perception problems in India and maintain long-term competitiveness.

Strategic Alignment: Cröger (2015) highlighted that the alliance was able to overcome cultural and structural barriers through strategic alignment, which promoted long-term cooperation. Brand independence and greater efficiency and innovation were attained by resource and strategy alignment, ICMR (2013) states. Alignment was able to remain competitive as it remained consistent with market trends, particularly with electric mobility, as stated by IJSAR (2020). Overall, these findings indicates that strategic alignment is dynamic and vital to the survival of the alliance.

Resource Sharing: According to ICMR (2013), Renault and Nissan were able to maintain brand independence while increasing efficiency and innovation through the use of pooled resources. Collaboration through resource and knowledge sharing promoted trust and teamwork. This proves that resource-sharing tactics not only enhance operational results but also foster trust, which is necessary for an alliance to last.

Trust and Commitment: According to Susini (2004), strategic compatibility and trust are essential to influence how well an alliance performs in the face of uncertainty. This was supported by MBA Knowledge Base (n.d.), which demonstrated how cooperation, teamwork, and cultural trust greatly increased alliance stability and loyalty. Altogether, these studies explains that trust is both necessary for and a product of successful cooperation.

Industry Trends: IJSAR (2020) highlighted how the Renault–Nissan–Mitsubishi Alliance employed strategic foresight and analysis to adapt to shifting industry trends such as electric vehicles (EVs) and mobility paradigms. As per Autocar Pro (2023), the alliance faced challenges with consumer perception post-Ghosn but managed to overcome these challenges by restructuring and innovating, particularly in the Indian market. As per these studies, the sustainability of the alliance hinges on its capacity to adapt to external market changes.

Brand Perception: Autocar Pro (2023) noted that following the leadership vacuum after Carlos Ghosn's exit, Renault and Nissan encountered consumer trust issues in India, requiring renewed focus on brand attachment and resale value. Cröger (2015) and ICMR (2013) also observed that alignment and integration strategies fostered brand loyalty and customer confidence. Collectively, these outcomes establish that strong brand perception, supported by innovation and strategic alignment, is crucial for sustaining operational continuation.

Leadership Shifts: The alliance's reputation and strategic focus were greatly affected by changes in leadership, especially in the Indian market, according to Autocar Pro (2023). The paper emphasized that in order to restore consumer trust, the post-Ghosn transition required innovation-driven tactics. In addition, Nwosisi (2015) connected leadership flexibility and alliance longevity, pointing out that leadership resilience is crucial for handling outside shocks.

Innovation and Technology: Common facilities encouraged innovation, particularly through collaborative technological advancement, ICMR (2013) revealed. IJSAR (2020) highlighted the necessity of technological foresight, which Renault-Nissan demonstrated, in terms of adapting to EV and mobility innovations. Cröger (2015) further contributed that by strategically combining technology assets, the alliance could surmount structural and cultural obstacles, enhancing operational performance.

Collaboration and Teamwork: As cooperation fostered trust and loyalty, the MBA Knowledge Base (n.d.) emphasized the importance of cultural training and teamwork in improving alliance performance. Abu Farha (2015) made a similar claim, stating that cultural synergy promoted more robust cooperation mechanisms inside the partnership. These results validate that cooperation directly affects stability when it is backed by mutual trust.

Governance Challenges: According to Cröger (2015), alignment solutions were used to manage governance difficulties that resulted from cultural and strategic conflicts. In order to guarantee the continuance of operations in India beyond Ghosn, Autocar Pro (2023) found that governance reorganization was required. These studies emphasize that reforming coalitions can be both a challenge and an opportunity due to governance.

Operational Continuation: According to Cröger (2015), sustainable operations resulted from strategy alignment, overcoming cultural divides. According to Autocar Pro (2023), customer trust and innovative tactics were essential for the company's ability to continue operating after Ghosn. Long-term operational stability was further bolstered by resource-sharing procedures, according to ICMR (2013).

Alliance Stability: Nwosisi (2015) reiterated that flexibility was crucial to maintaining the long-term stability of an alliance. Susini (2004) reiterated that trust and commitment formed the basis of an alliance's resilience. Abu Farha (2015) reiterated that cultural synergy had a direct effect on operational stability. All these studies refer to importance of trust, flexibility, and cultural management in maintaining the permanence of an alliance.

Strategic Models: IJSAR (2020) illustrated how the alliance's capacity to adjust to EV transitions was improved by strategic foresight, specifically through SWOT and industry trend research. Cröger (2015) emphasized how strategic models help partners overcome their differences. These outcomes explain that applying strategic models provides organized answers to challenging alliance problems.

Consumer Perception: According to Autocar Pro (2023), unfavorable consumer views in India following Ghosn necessitated a renewed focus on innovation and brand connection. Additionally, Cröger (2015) observed that strategic and cultural integration increased consumer trust. Altogether, these results explain how crucial customer perception is in determining partnership continuity.

Brand Loyalty: Cröger (2015) found that strategic alignment directly fostered brand loyalty, enabling Renault–Nissan to sustain long-term collaboration. ICMR (2013) further supported this by noting that shared resources and autonomy strengthened consumer loyalty. Autocar Pro (2023) linked innovation-driven strategies to customer retention in India.

Restructuring and Renewal: Autocar Pro (2023) mentioned that the alliance carried out strategic restructuring due to market perception and leadership crises. The revitalization of strategy through EV-centric innovation was underscored by IJSAR (2020). These findings imply that reorganizing exhibits both proactive and reactive, aligning the alliance with changing industry realities.

Local Market Strength: According to IJSAR (2020), the alliance's standing in regional markets was enhanced by adjusting tactics to local industry developments, especially in the mobility and electric vehicle sectors. In India, the move toward innovation and restructuring addressed regional concerns about consumer trust, according to Autocar Pro (2023). The success of international alliances is thus determined in large part by local adaptation.

Operational Performance: According to Abu Farha (2015), cultural synergy enhanced the alliance's operational performance. Shared resources improved productivity, according to ICMR (2013), while Cröger (2015) noted that strategic alignment promoted operational continuity and brand loyalty. These studies jointly validate that strategy, culture, and teamwork all impact operational performance.

Alliance Performance: Susini (2004) emphasized that the overall performance of an alliance depended heavily on trust and strategic compatibility. The MBA Knowledge Base (n.d.) opined that cooperation and collaboration encouraged stability and long-term success. IJSAR (2020) and Cröger (2015) concurred that industry adjustment and strategic alignment were no less significant. All these findings indicate the multi-dimensionality of alliance performance, which is affected by structural, strategic, and cultural aspects.

Integrated Review of Literature with Theoretical Foundation

The existing literature demonstrates that the long-term sustainability of strategic alliances depends both on consumer perceptions, organizational adaptability, relationship quality end. However, these empirical findings gain depth upon analysis through established theoretical perspectives.

The Resource-Based View (RBV) proposed by Barney (1991) explains that organizations achieve sustainable advantage through precious, rare, inimitable, and indispensable resources. In the Renault–Nissan Alliance, shared manufacturing facilities, technological capabilities, global research and development, and joint procurement represent strategic resources that improve operational efficiency while allowing both firms to maintain separate brand identities. Earlier studies by ICMR (2013), Cröger (2015), and Abu Farha (2015) demonstrate that resource sharing, strategic alignment, and cultural integration collectively strengthened alliance performance and operational continuity. RBV therefore provides the theoretical explanation for why collaborative resource utilization enhances operational performance and consumer confidence.

The alliance's ability to respond to changing market conditions can further be explained through the Dynamic Capabilities Theory developed by Teece, Pisano, and Shuen (1997). The theory contends that organizations must continuously blend, build, and reconfigure internal and external competencies to address rapidly changing business environments. The Renault–Nissan Alliance has experienced several external disruptions, including governance challenges after Carlos Ghosn's departure, increasing competition in India, changing consumer preferences, and the rapid transition toward electric mobility. Studies by Nwosisi (2015), IJSAR (2020), and Autocar Professional (2023) indicate that organizational adaptability, strategic restructuring, and innovation significantly influenced the alliance's operational survival. These findings support the Dynamic Capabilities Theory by demonstrating that long-term alliance stability depends on continuous innovation, strategic flexibility, and organizational renewal.

The relationship between trust and alliance performance is strongly supported by the Commitment-Trust Theory of Relationship Marketing developed by Morgan and Hunt (1994). The theory suggests that trust and commitment are the primary determinants of successful long-term relationships between organizations and stakeholders. Previous studies by Susini (2004), MBA Knowledge Base (n.d.), and Abu Farha (2015) consistently report that mutual trust, cultural collaboration, teamwork, and strategic compatibility improve alliance performance and organizational stability. Within the present study, consumer trust, loyalty retention, and innovation emerge as important determinants influencing deferred purchase behaviour, thereby extending the Commitment-Trust Theory from inter-organizational relationships to consumer perceptions of strategic alliances.

Consumer reactions to alliance uncertainty can also be interpreted through Signaling Theory introduced by Spence (1973). According to this theory, consumers rely on observable market signals to reduce uncertainty when complete information is unavailable. Leadership transitions, governance changes, innovation announcements, product launches, and strategic investments serve as quality signals that influence consumer confidence. Following the departure of Carlos Ghosn, the Renault–Nissan Alliance experienced negative market perceptions, requiring strategic restructuring and renewed investments to

restore confidence (Autocar Professional, 2023). These developments illustrate how organizational actions function as signals that shape consumer trust, perceived ownership risk, and purchase intentions.

The behavioral outcomes examined in this research are further promoted by the Planned Behavior Theory, proposed by Ajzen (1991). TPB argues that behavioural intention is influenced by attitudes, subjective norms, and perceived behavioural control. In the context of automobile purchasing decisions, consumers evaluate operational stability, brand trust, innovation capability, resale value, and ownership risk before forming purchase intentions. Studies by Cröger (2015), Autocar Professional (2023), and ICMR (2013) suggest that favourable perceptions regarding operational continuation and innovation strengthen consumer confidence, whereas uncertainty regarding governance and alliance stability encourages deferred purchasing decisions. Accordingly, TPB provides a theoretical explanation for the relationship between consumer perception and postponed purchase behaviour examined in the present study.

Collectively, these theoretical perspectives provide a unified conceptual foundation for understanding the Renault–Nissan Alliance. Resource-Based View explains how shared strategic resources generate competitive advantage; Dynamic Capabilities Theory explains organizational adaptation to environmental change; Commitment-Trust Theory explains the role of trust and relationship quality in alliance success; Signaling Theory explains how strategic decisions influence consumer perceptions under uncertainty; and the purchase intentions are ultimately shaped by Theory of Planned Behavior. Together, these theories strengthen the conceptual basis of the study and justify the proposed relationships among operational alignment, trust and innovation, ownership risk, consumer perception, and deferred purchase behaviour.

Table 2: Review of Literature

Title	Author & Year	Key Findings	Methodology	Independent Variables	Dependent Variables
Cultural Impacts on Renault-Nissan Alliance	Abu Farha (2015)	Cultural synergy enhanced alliance performance	Case Study	Cultural factors	Operational Stability
Renault and Nissan: Curious Case of Alliance	Nwosisi (2015)	Adaptability is key to alliance evolution	Theoretical Models	Organizational adaptability	Long-term Stability
Renault-Nissan Alliance Case Study	Cröger (2015)	Strategic alignment overcame cultural gaps	SWOT, PESTLE, Hofstede	Cultural difference, strategy	Brand Loyalty, Operational Continuation
Renault-Nissan: Success by Integration?	ICMR (2013)	Shared resources boosted efficiency & innovation	Case Study	Resource sharing, brand autonomy	Innovation Anticipation, Trust Retention

Strategic Change in Renault-Nissan-Mitsubishi	IJSAR (2020)	Adapted well to EV and mobility trends	SWOT Analysis	Industry trends, strategic models	EV Strategy, Local Strength
The Great Reboot in India	Autocar Pro (2023)	Faced perception issues post-Ghosn, focusing on innovation	Market Analysis	Leadership shift, market changes	Brand Attachment, Resale Value
Strategic Alliance Operations	MBA Knowledge Base (n.d.)	Cultural training & teamwork improved performance	Case Study	Collaboration, cultural alignment	Trust, Loyalty, Stability
Determinants of Alliance Performance	Susini (2004)	Trust & commitment drive alliance success	Empirical Study	Trust, strategic compatibility	Alliance Performance

Source: Author's creation

Research Methodology

The current research aims to explore consumer sentiment regarding the continuance of the Renault–Nissan alliance in the Indian automobile industry. The research highlights the determinants of the most prominent underlying factors—Operational & Strategic Direction, Trust, Retention & Innovation, and Perceived Risk of Ownership—influencing consumer sentiments towards the alliance. The research also analyzes whether there is a significant correlation between operational continuance and loyalty retention with overall consumer sentiment. Furthermore, it examines the intensity to which the factors thus identified predict postponed purchasing behavior among Indian consumers, thus throwing some light on consumer-driven determinants of market performance and alliance stability.

Research Gap: Past research on strategic alliances is mostly focused on financial performance, managerial integration, and global competitiveness, and less on the contribution of consumer perception toward alliance stability. In the Indian auto industry, scant work examines how attitudes among consumers contribute to deferred purchase decision-making in continuations of alliances.

Research Objectives:

1. To evaluate consumer perception of the operational continuation of the Renault–Nissan alliance in India.
2. Improve and extract the underlying dimensions of consumer perception using Principal Component Analysis (PCA).

3. To examine the association between operational continuation and loyalty retention with consumer perception of the alliance.
4. To analyze the impact of operational & strategic direction, trust, retention & innovation, and perceived risk of ownership on deferred purchase behavior.

Research Hypothesis:

H1: There is a strong association between operational continuation and consumer perception towards the Renault-Nissan alliance in India
H2: Loyalty retention significantly influences consumer perception of the Renault–Nissan alliance.
H3: Operational & Strategic Direction, Trust, Retention & Innovation, perceived risk of ownership significantly predict deferred purchase behavior

Research Framework: The study employs a descriptive and explanatory research design to investigate consumer sentiment of the Renault-Nissan Alliance's operational continuation in India. The descriptive component identifies key factors shaping consumer Behavior, while the explanatory component analyses relationships between these factors and deferred purchase decisions. The research framework is grounded in consumer behaviour theories, particularly those related to brand trust, innovation perception, and purchase intention in automotive alliances. The framework hypothesizes that consumer perceptions get influenced by four constructs: Operational Alignment, Purchase Behaviour, Trust and Innovation, and Ownership Risk. These were operationalized through the 21 survey items, with Deferred Purchase as the dependent variable, assessing the likelihood of consumers postponing purchase decisions due to perceptions of stability, innovation, and trustworthiness.

Sampling Method: A non-probabilistic purposive sampling technique was used to select participants from Renault and Nissan Facebook groups in India. This approach targeted current Renault or Nissan vehicle owners, ensuring respondents had relevant brand experience critical for assessing perceptions of the alliance's operational continuity. The Facebook groups, with thousands of active members discussing vehicle performance and ownership experiences, provided a rich recruitment source. The non-probabilistic sampling prioritized relevance over random representation. The sample of 202 respondents was sufficient, as evidenced by Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (0.886), indicating strong suitability for factor analysis.

Data and its source: Primary data was collected through a structured questionnaire survey targeting members of Renault and Nissan Facebook groups in India, primarily existing vehicle owners. The survey, comprising 21 items on a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree), assessed perceptions of operational alignment, purchase behaviour, trust and innovation, and ownership risk. A total of 202 valid responses were obtained. Items were developed from literature on automotive alliances and consumer behaviour, ensuring content validity. The survey was distributed online, with voluntary, anonymous participation and informed consent, adhering to ethical standards.

Analytical Techniques: (a) Principal Component Analysis (PCA): PCA was used to reduce the 21 survey items into identified factors. The adequacy of sample was checked through KMO, and validating data suitability was validated through Bartlett's Test of Sphericity. (b) Chi-Square Test: the association between independent variables and deferred purchase was assessed to find the association and test its impact. (c) Multiple Regression analysis: to assess the predictive nature of the independent variables and to identify their significant predictors.

Data Analysis

The purpose of the study is to understand the perception of consumers of the operational continuation of the Renault-Nissan alliance in the Indian automobile market. The study adopted data collection through a questionnaire survey conducted at 21 different levels using a five-point Likert scale. These 21 levels were reduced to four factors using Principal Component Analysis. Three significant factors that accounted for 62.85% of the variance were obtained. Kaiser-Meyer-Olkin Measure of Sample Adequacy for the above-mentioned Principal Component is 0.886. The approximate Chi-Square value for Bartlett's Test of Sphericity is 2374.578, df 210, Sig. 0.000. Factor loading values are generated for each component through analysis. Based on the results, items with the highest factor loading values were grouped into a single component/factor, where four elements were summed up in this way (See Table 3).

Table 3: Principal Component Analysis

Construct	Items	Factor Loading	Variance Explained (%)
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.886			
Approx. Chi Square = 2374.578 Bartlett's Test of Sphericity: df = 210; Sig. = .000			
Operational Alignment	Operation continuation	0.801	39.58
	Long-term stability	0.726	
	Strategic direction	0.642	
	Perception alteration	0.709	
	Conflict awareness	0.593	
	Opinion distortion	0.532	
	Charging stations	0.661	
Purchase Behaviour	Brand Loyalty	0.641	11.51
	Brand Recommendation	0.703	
	Deferred purchase	0.827	
	Purchase risk tolerance	0.796	
	News engagement	0.826	
	Brand attachment	0.723	
	Perceived quality	0.794	
Trust and Innovation	Trust retention	0.679	6.67
	Loyalty retention	0.794	
	Innovation anticipation	0.756	
	EV strategic leadership	0.632	
	Local operational strength	0.571	
Ownership Risk	Resale Value	0.688	5.08
	Ownership risk	0.742	

Source: Author's creation

The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was marked to be strong at 0.886, so proper sampling was ensured in factor analysis. Additionally, Bartlett's Test of Sphericity presented an approximate Chi-Square value of 2374.578 with significance = 0.000, having df = 210. Because the achieved p-value is < 0.05, it rejects the null hypothesis. This means variables have a significant correlation with each other. Hence, upon this check, the course to further execute Principal Component Analysis. Thus, the four factors that have been identified as affecting the perception of the consumers relating to Renault-Nissan alliance operational continuation in India are operational alignment, Purchase behaviour, Trust and Innovation, and Ownership risk. The whole list of 21 statements (items) accounts for 62.85 % of the results. All 21 items (variables) had 'fairly high' extraction communality values (≥ 0.5). That means that each of them contributes significantly to a factor and will be considered for further analysis. Under the rotated Component matrix table, the values loading highest factor that the independent variables were Operational continuation, Loyalty retention, and Ownership risk, and the Dependent variable, which had the highest factor loading value was "Deferred Purchase".

H1: There is a notable association between operational continuation and consumer perception towards the Renault-Nissan alliance in India

The Chi-Square Test is a statistical test used to determine whether there is a significant association between two categorical variables. It compares the observed frequencies in a contingency table with the frequencies expected if the variables were independent. A p-value less than 0.05 typically indicates a notable relationship between the variables. In our study, the Chi-Square Test was applied to analyse how operational continuation and loyalty retention affect consumer perception towards Renault-Nissan alliance operational continuation in India. Significant effects of Operational continuation and Loyalty retention were found on the deferred purchase factor. (See Tables 4 and 5)

Table 4: Chi-Square Test (Operation Continuation)

	Value	df	Sig. (2-sided)
Pearson Chi-Square	53.837[a]	16	.000
Likelihood Ratio	50.855	16	.000
Linear-by-Linear Association	4.539	1	.033
N of Valid Cases	202		

Source: Author's creation

H2: Loyalty retention significantly influences consumer perception of the Renault–Nissan alliance.

Table 5: Chi-Square Test (Loyalty Retention)

	Value	df	Sig. (2-sided)
Pearson Chi-Square	76.760[a]	16	.000
Likelihood Ratio	73.405	16	.000
Linear-by-Linear Association	13.377	1	.000
N of Valid Cases	202		

Source: Author's creation

H3: Operational & Strategic Direction, Trust, Retention & Innovation, and perceived risk of ownership significantly predict deferred purchase behavior.

Furthermore, Multiple Regression Analysis is a statistical technique used to test the association between one dependent variable and two or more independent variables. It helps determine how well the independent variables collectively predict the outcome and identifies which ones have the most significant impact. In our study, multiple regression analysis was conducted to examine the influence of three key independent factors—Operational & Strategic Direction, Trust, Retention & Innovation, and Perceived Risk of Ownership—on the dependent variable Deferred Purchase. The model is statistically significant with an F-value of 36.22 and a significance level of 0.000, indicating that at least one predictor significantly explains variation in Deferred Purchase behavior. The R Square value of 0.354 suggests that approximately 35.4% of the variation in Deferred Purchase can be explained by the model, with the Adjusted R Square (0.344) further confirming its reliability. Among the predictors, Trust, Retention & Innovation emerged as the strongest contributor ($\beta = 0.5236$, $p < 0.001$), highlighting that higher trust and innovation perceptions significantly increase the likelihood of consumers deferring their purchase. Operational & Strategic Direction also showed a statistically significant impact ($\beta = 0.1780$, $p = 0.0368$), suggesting that strategic clarity and operational consistency influence purchase delay behavior. However, Perceived Risk of Ownership did not have a statistically significant impact ($\beta = -0.0918$, $p = 0.307$), indicating that concerns related to ownership risk are not major determinants of deferred purchase decisions in this context. (See table 6)

Table 6: Multiple Regression Analysis

Model Summary		Coefficient	Unstandardized Coefficient		t-value	Sig.	
Regression Statistics		Model	B	Std Error			ANOVA Result
Multiple R	0.595	Intercept	1.145	0.300	3.817	0.0001	F (3,198)
R Square	0.354	Operation & Strategic direction	0.178	0.084	2.101	0.0368	=36.22
Adjusted R Square	0.720	Trust retention and Innovation	0.523	0.085	6.124	0.0000	p<0.05
Standard Error	0.720	Perceived Risk of Ownership	-0.091	0.089	-1.022	0.3076	
Observations: 202							

Source: Author's creation

Empirical Result & Theoretical Perspective

The outcomes of the present study furnish important insights into the determinants of consumer perception regarding the operational continuation of the Renault–Nissan Alliance in India. The Principal Component Analysis (PCA) reduced the 21 observed variables into four meaningful constructs—Operational Alignment, Purchase Behaviour, Trust and Innovation, and Ownership Risk, which together explained 62.85% of the total variance. This indicates that these dimensions adequately capture the key factors affecting consumer perceptions of alliance stability. The findings are consistent with earlier empirical studies by Cröger (2015), ICMR (2013), and Nwosisi (2015), which reported that strategic alignment, resource integration, organizational adaptability, and collaborative innovation are the primary determinants of successful international strategic alliances. Unlike previous studies that primarily examined alliance performance from an organizational perspective, the present research extends the literature by demonstrating that consumers also evaluate alliance stability through these strategic dimensions.

From a theoretical perspective, these outcomes support the Resource-Based View (RBV) proposed by Barney (1991), which argues that firms achieve sustainable competitive advantage through valuable and unique strategic resources. In the Renault–Nissan Alliance, shared manufacturing facilities, technological collaboration, research and development, and operational integration represent strategic resources that strengthen organizational performance and enhance consumer confidence. The emergence

of Operational Alignment as the largest component suggests that consumers perceive operational consistency and strategic coordination as essential indicators of long-term alliance sustainability.

The Chi-square analysis further revealed a significant association between operational continuation, loyalty retention, and consumer perception, thereby supporting the first two hypotheses. These findings corroborate the work of Susini (2004), who emphasized that trust and strategic compatibility are fundamental determinants of alliance success. Similarly, Abu Farha (2015) found that cultural synergy and cooperation significantly improve operational continuity, while Cröger (2015) demonstrated that strategic alignment strengthens both organizational stability and customer loyalty. The present findings therefore reinforce earlier empirical evidence by confirming that operational continuity directly influences consumer confidence within the Indian automobile market.

The multiple regression analysis provides further insights into the factors influencing deferred purchase behaviour. The regression model explained 35.4% of the variation in consumers' purchase postponement decisions, indicating that perceptions of alliance stability substantially influence buying behaviour. Among all predictors, Trust, Retention, and Innovation emerged as the strongest determinants of deferred purchase behaviour, followed by Operational and Strategic Direction, whereas Ownership Risk was found to be statistically insignificant. This result is consistent with Autocar Professional (2023), which reported that following the Carlos Ghosn governance crisis, Renault–Nissan focused on rebuilding consumer confidence through innovation, product development, and strategic restructuring. Likewise, IJSAR (2020) observed that continuous innovation and strategic adaptability remain critical for sustaining competitive advantage in the global automotive industry.

The dominant influence of trust and innovation also supports the Commitment-Trust Theory of Relationship Marketing (Morgan & Hunt, 1994), which posits that trust is the foundation of enduring relationships between organizations and stakeholders. Consumers appear to place greater importance on organizational credibility, innovation capability, and long-term strategic commitment than on immediate product-related concerns. Furthermore, the findings align with Signaling Theory (Spence, 1973), which suggests that consumers rely on observable organizational signals such as innovation, leadership stability, strategic investments, and operational continuity when evaluating uncertain market situations. The insignificance of Ownership Risk contrasts with traditional consumer behaviour literature (Bauer, 1960), suggesting that existing Renault and Nissan owners are relatively less concerned about ownership-related uncertainties and more influenced by the alliance's future strategic direction. Overall, the study contributes to strategic alliance literature by demonstrating that consumer perception, particularly trust and innovation, represents a critical behavioural mechanism linking alliance governance with market performance. This finding extends previous alliance research by integrating organizational strategy with consumer behaviour, thereby offering valuable implications for managing strategic alliances in emerging markets such as India.

Research Limitation

This study has certain limitations that should be considered while interpreting the findings. First, the study employed a non-probability purposive sampling technique by recruiting respondents from Renault and Nissan Facebook groups in India. Although this approach ensured that participants were existing vehicle owners with relevant experience of the brands, it limits the generalizability of the findings to the broader population of automobile consumers. Members of online communities are typically more engaged with the brand and may possess stronger opinions or higher levels of product involvement than the average consumer, thereby introducing sampling bias. Consequently, the perceptions captured in this study may not fully represent those of prospective buyers or consumers who are not active on social media platforms. Additionally, the reliance on self-reported responses collected by an online survey may be subject to response bias and social desirability bias. Future research should adopt probability-based sampling methods and include respondents from diverse demographic and geographic backgrounds using multiple data collection channels, such as dealerships, service centers, and offline consumer surveys. A larger and more representative sample would enhance the external validity of the findings and improve their applicability across the broader Indian automobile market. Furthermore, longitudinal studies could provide deeper insights into how consumer perceptions of strategic alliances evolve in adapting to changes in governance, innovation, and market dynamics.

Conclusion

The Renault-Nissan Alliance, once hailed as a model of cross-cultural collaboration and operational synergy, has experienced a complex journey in the Indian automotive landscape. While the alliance initially demonstrated promise through shared manufacturing facilities, cost-efficient product development, and a strategic export base in Chennai, its long-term performance in India has been hindered by internal conflicts, leadership disruptions, and shifting market dynamics. The fallout from the Carlos Ghosn scandal further exacerbated trust deficits and governance challenges within the alliance, weakening strategic cohesion. From a research perspective, the alliance's condition in India reflects broader organizational issues—ranging from brand perception and consumer trust to operational continuity and leadership stability. Though recent efforts like the leader-follower model indicate a pragmatic shift, they may dilute the synergy and long-term competitiveness required in a market as dynamic as India. Going forward, the success of the Renault-Nissan Alliance in India will depend on its ability to rebuild consumer confidence, innovate in response to emerging trends like electric mobility, and restore internal alignment through transparent governance and collaborative strategy.

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