

**SALES PROMOTION AND ITS EFFECTIVENESS: A STUDY ON
SELECTED SMALL CAR COMPANIES AND DEALERS IN
BILASPUR, CHHATTISGARH**

Dr.(Mrs.) B.B. Pandey*

Dr, Sanjay Pandey**

Mr. Amit Stieve Henry***

Abstract

“A market is never saturated with a good product, but it is very quickly saturated with a bad one.” Henry Ford

“We react very quickly in the market. We can make quick changes.”

John Ilhan

“Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes. It consist of incentive offering and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. Customers are fairly complicated and are a rich tool of marketing, with countless creative possibilities, limited only by the imagination of promotion planners.

Sales promotion is an important and powerful tool of marketing. The aim of sales promotion is goal-oriented to achieve sales/marketing objectives, which are short-term and immediate. The range of tools and techniques sales promotion include Discounts, coupons, free samples, contests, games, premiums, special packs, cooperative advertising, continuity programmers, demonstration, exchange offers and many others. In this paper I would like to highlight on the sales promotional tools of Maruti, Hyundai, TATA, cars and their effectiveness in Bilaspur Chhattisgarh.

Keywords: Sales promotion, CII, communication, incentive, invitation, coupons, premiums.

* Assistant Professor (Senior Scale), DMS, GGV, Bilaspur (C.G)

** Professor & Head, Department of Management, Chouksey Engineering College, Bilaspur (C.G)

*** Assistant Professor, Department of Management, Chouksey Engineering College, Bilaspur (C.G)

Objectives of the study:

1. To study and analyze the elements of Promotional Strategies.
2. To find out the effectiveness of sales promotion strategies of Maruti, Hyundai, TATA, cars in Bilaspur Chhattisgarh.
3. To study the sales promotions activities done by Maruti, Hyundai, TATA motors to maximize the sales and capture a larger market share.
4. To make an analysis of effectiveness of each promotional strategy for cars.
5. To study the effectiveness of after sales service.
6. To evaluate customers satisfaction on small car segment.
7. To find customer awareness about various promotional activities.
8. To study the attitudes of customer.
9. To study the customer response regarding the promotions of cars in India.

Scope of the study

Sales promotion is one of the key elements of promotional mix which plays a vital role in implementation of market strategy. Its scope is very broad in nature. The scope of the sales promotion in my study was limited to the marketing strategy and the effectiveness of sales promotional tools adopted by Maruti, Hyundai, TATA, cars within the marketing area at Bilaspur (C.G).

Limitations of the study:

The area selected for the study was limited to Bilaspur (C.G) only. The findings are regional and do not represent state or country. Also there was a lack of customer feasibility for interview. There is a possibility of biased answers from the respondents hence the information collected might not be an accurate one.

Data Collection:

Both primary and secondary data was collected with the help of questionnaire, newspapers, magazines and company brochures, websites, etc., from 100 respondents of different age groups, gender, occupation, education, social, class group, geographic location etc. Out of which 70 turned as actual respondents. Statistical methods used while analyzing and interpreting the data, simple statistical techniques like averages, percentages have been used. For graphical presentation simple column diagram are used.

Introduction

“If you're attacking your market from multiple positions and your competition isn't, you have all the advantage and it will show up in your increased success and income.” Jay Abraham

Sales Promotion:

“Sales Promotions include incentive offering and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioral responses of the firm's customers” Kazmia and Batra

Promotional Mix



Sales promotion is one of the seven aspects of the promotional mix. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

Examples: contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates

Basically if we see in automobile sector (Car segment), sales promotions can be directed at the customer, sales staff, or distribution channel members (such as dealers). Sales promotions targeted at the consumer/customers are called consumer sales promotions. Sales promotions targeted at retailers, dealers and wholesale are called trade sales promotions.

Sales promotional tools, (CII):

- **Communication:** They usually provide information and gain attention that may lead the customer to the product.
- **Incentive:** They include some concession, incentive, or contribution that gives value to the customer.
- **Invitation:** They consist of a distinct invitation to connect in the transaction now.

Advantages of Sales Promotion:

1. **Price discrimination:** Producers can introduce price discrimination through the use of sales promotions. Often such price discriminations or price concessions are offered in specific cities in the country.
2. **Effect on consumer behavior:** As sales promotions are mostly announced for a short period, customers may feel a sense of urgency and stop comparing the alternatives.

Disadvantages of Sales Promotion:

1. **Increased price-sensitivity:** Frequently promoted car brands in a product category, especially on the basis of price, make customers and dealers more price sensitive not only for the promoted brand but for other brands as well in the same product category. Customers wait for the promotional deals to be announced and then make the purchase.
2. **Decrease in brand loyalty:** The major objective of many sales promotions is to encourage brand switching. This is especially true in case of low-involvement category products, or where there is little or no significant differentiation among brands and the unit value is low.
3. **Channelizing support from dealers is doubtful:** One of the trade promotion tools is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefit to consumers. This is generally the condition attached with such promotional allowances.
4. **Quality image may become tarnished:** If the promotions in a product category have been rare, or the product happens to be of high-involvement category, the promotions could have negative effect on its quality image.

Sales promotion of automobiles (cars) is done through two levels:

1. Promotions of cars directly by the manufacturer.
2. Promotions at dealer level.

In the first step the manufacturer promote the cars by themselves. He follows many promotional strategies like,

1. Advertising through television and newspaper.
2. Internet or interactive marketing.
3. Direct marketing.

In the second step the dealer of the vehicles promotes the vehicles.

The various promotional strategies followed by the dealers are

1. Advertising through news papers, radios, palm plates. In this all the features of the product and its prices are given in detail to the customer.
2. By Hoardings, the promotion about the product and its features.

Product selling:

Direct selling agency (DSA): Dealers of DSA for ICICI, HDFC, and Sundaram Finance who works under these banks take finance for the reason to direct selling.

Coupons: Another activity is giving of the coupons to the customers like, "Hello Hyundai week", car kharido sona jeeto, 50,000 off on car, give Re. 1 and take the car, 33000 and rest in EMI, 10 liters of petrol free, etc.

Customer Relationship Management: After the customers takes the car the sales executive goes to the customer after a week and meet him and explain about the technical adversaries to the customers.

Customer Reference: Here a person from the showroom goes to the customer and explains about the product rather than knowing about the product through any friend.

Advertisement: How these companies are reaching the people or the customers through advertisement. Dealers, Financers and corporate are all involved in this process.

Furthermore the sales promotion done by car companies comprises of three levels:

1. Showroom Sales: In this the customers walk in to the showrooms to know about the details of the product. Specially trained sales executives who are present in the showrooms give a detail about car features, various offers given by the manufacturer and also by the dealer to the customer and enhance the sales of the vehicles.
2. Corporate sales: A special team of sales executives are sent to some big corporate sectors and there they personally meet the heads of the organizations like C.E.O"s, Managers, etc., and explain about the vehicles and the offers and special schemes provided by the dealer to them on purchase of the vehicles and try to promote the sales of the vehicles.
3. Field sales: The sales executives conduct some events with the corporate working people and try to demonstrate the car features and its benefits and try to promote the product and increase its sales.

Data Analysis and Interpretation:

Sl. No	Activity	No. of Respondents	Percentage
1	Cash incentives	35	50
2	Free trips	15	21

3	Free gifts	15	21
4	Other specify	05	08
5	Total	70	100

Tab 1.1

As asked in one of the question about Sales promotion activity which one is more effective to enhance sales and purchase of cars? As shown in above figure, from the survey it was found that 50 % of respondents prefer Cash incentives most from other sales promoting activity.

Sl. No	Preference	No. of Respondent	%
1	Company image	35	50
2	Price	15	21
3	Availability	08	12
4	Mileage	12	17
5	Total	70	100

Tab 1.2

Regarding the choice of cars from the survey I came to know that 50 % of the respondents go with the company's image as well as 17 % with the mileage.

Sl. No	Preference	No. of Respondents	%
1	Company	20	26
2	Media	38	54
3	Other buyers	12	20
4	Total	70	100

Tab 1.3

It is more clear from the table 1.3 that media is more preferred by the customers to get known about any car. Thus I can say that about 54 % of the respondents know about the cars through Media.

Sl. No	Activity	No. of Respondents	%
1	Cash benefits	35	50
2	Free gifts	12	17
3	Discounts	15	21
4	Coupons	08	12
5	Total	70	100

Tab 1.4

The above the table shows different types of activities done for sales promotion and most of the respondents are attracted by cash benefits provided by the companies or dealers.

Sl. No	Activity	No. of Respondents	%
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1	Advertisements	25	36
2	Sales Promotion	15	21
3	Publicity	20	29
4	Personal Selling	10	14
5	Total	70	100

Tab 1.5

From the survey it can be said that advertisements create long term impact on sales promotion. The above table shows that 36% of respondents have agreed with this.

Sl. No	Activity	No. of Respondents	%
1	Television	25	36
2	News papers	15	21
3	Internet	10	14
4	Hoardings	20	29
5	Total	70	100

Tab 1.6

The above table shows 36% of respondents said that Television Advertisement is one of the media which has more impact on them.

Conclusion: The effective sales promotion strategy would be a biggest strength of any company to compete with global completion. One of the sales promotion tool adopted by the car manufacturing automobile companies is advertising with celebrities which added a good status symbol to the products. Most of the customers buying perception were positive because car resembled a status symbol in the society nowadays. Through this study it can be said that media is playing the biggest role and advertising has become an effective tool of automobile companies to motivate the customers and to drive them to purchase a car. To the outlook of customers is growing high due to the promotions of cars through various media and now the can think, choose and purchase more better in Bilaspur and Chhattisgarh as well as in India.

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