

A
PROJECT REPORT
ON
SALES PROMOTION AND ADVERTISING
AT
MARUTI SUZUKI LIMITED

BY

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Under the Guidance of

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Department of Commerce

GOVERNMENT DEGREE COLLEGE

(Affiliated to Palamuru University, Mahbubnagar, Telangana)

ATMAKUR , WANAPARTHY (DIST), TELANGANA

DECLARATION

I undersigned, hereby declare that the project report entitled "A STUDY ON SALES PROMOTION AND ADVERTISING" carried out "MARUTI SUZUKI LIMITED" is my original work written and submitted by me in partial fulfillment of Bachelor Of Commerce of GOVERNMENT DEGREE COLLEGE, ATMAKUR, WANAPARTHY (DIST), TELANGANA. I also declare are that this project has not been submitted earlier in any other university or institution.

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ACKNOWLEDGEMENT

I take this opportunity to extend my profound thanks and deep sense of gratitude to the authorities of **MARUTI SUZUKI LIMITED**, for giving me the opportunity to undertake this project work in their esteemed organization. I profusely thank **Mr. DINESH KUMAR (Asst Manager)**

My sincere thanks to **Mr.C.G.LAKSHMI PRASAD (Principal)** and my project guide **Mr.V.SRINIVASULU** for their kind encouragement and constant support extended in completion of this project work. From the bottom of my heart

I am also thankful to all those who have incidentally helped me, through their valued guidance, co-operation and unstinted support during the course of my project.

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MOTORS PVT LTD
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Varun Towers - 1
Opp : HPS, Mayur Marg,
Begumpet, Hyderabad,
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TO WHOM SO EVER IT MAY CONCERN

This is to certify that Mrs/Ms. **K. SHILPA** bearing Hall ticket no :
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He/She has done the project during the period of 30 days, under the guidance
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He/She has completed the assigned project well within the time frame. He/She
is sincere, Hard working and his conduct during the period is commendable.

We wish all the best in his future endeavors.

Thanking You

Mr. DINESH KUMAR

(Asst. Manager)





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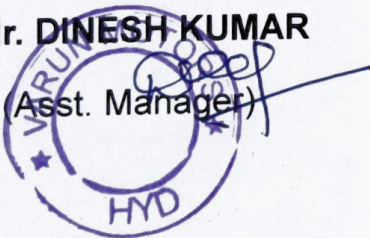
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Thanking You

Mr. DINESH KUMAR
(Asst. Manager)





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He/She has done the project during the period of 30 days, under the guidance of **Mr. DINESH KUMAR** Asst. Manager, in **MARUTHI SUZUKI HYDERABAD**.

He/She has completed the assigned project well within the time frame. He/She is sincere, Hard working and his conduct during the period is commendable.

We wish all the best in his future endeavors.

Thanking You

MR. DINESH KUMAR

(Asst. Manager)



ABSTRACT

In recent years, with the appearance of social media, traditional print and broadcast media as main promotional tools have faced major challenges, as many newspapers and television channels have suffered audience reduction. Overwhelmingly, the majority of marketers, both business and political, have started to use some form of social media for promotional purposes. The overall purpose of this research is to characterize the similarities and differences of the use of social media as promotional tool by political parties and companies. This research is exploratory in nature and the data collected is qualitative. In order to conduct this research, we have interviewed two political parties and two companies. Taking into account the new communication paradigm from Man gold and Faulds as a base, we asked questions about how they use each element of the promotional mix in social media. The findings showed that the use of social media for promotional purposes was rather similar between the companies and political parties. Analyzed data showed that political parties, in their social media activities, were focused on public relations and personal selling in a form of online interactions with voters, while the companies only focused on public relations. This research demonstrates that both political parties and companies still have not fully integrated social media for promotional purposes and that they still rely on traditional media for promotion. Measure the impact of marketing activities on decisions to visit the platform and on decisions to create and buy content. The model explains individual-level choices as a function of consumer characteristics and marketing activities, allowing for interdependence of decisions within and across users. Our results compare four types of marketing activities: price promotions, firm online activities, content creator referrals, and public relations efforts. We show that price promotions have strong effects on purchases, while content creator referrals and public relations have significant effects on all user decisions. An interesting feature of the data is that the price distribution in the absence of promotional activities first order stochastically dominates that under display or feature advertising. The theoretical model we introduce can yield an equilibrium that is consistent with the above observations.

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CHAPTER-I
INTRODUCTION

INTRODUCTION:

"As we spread wings to expand our capabilities and explore new horizons, the fundamental focus remains unchanged: seek out the best technology in the world and put it at the service of our ultimate user: our customer."

Promotion is true that products are manufactured to satisfy the needs of the consumers.. But alone is not enough. Today the responsibility of the manufacturers does not cease with physical production whatever may be the nature of the product. The present day marketers are consumer oriented where it is the duty of the manufacturers to know from where, when, how and what price the products would be available. Successful marketing consists in offering the right product of the right price of the right place (and time) with right promotion.

In course of time, various activities came into vogue designed particularly to help easy sale of goods. These activities commonly known as promotional Mix. The marketing communication Mix also called as the "Promotion Mix" consists of four major tools.

- 1. Advertising.**
- 2. Sales Promotion**
3. Publicity
4. Personal Selling

Generally marketing communication is undertaken to pass on the message of a product or sale to the ultimate consumers. Thus, there are three elements in this process.

The purpose of advertising is motivating but to sell something a product or service, the real objective of advertising is effective communication between producers and consumers. In other words the ultimate purpose all advertising is "Increased awareness" list of the following specific objectives of advertising. The process of selling is ensured by personal selling supposed by advertising and sales promotion. Of these three methods personal selling occupies the predominant role mainly because of the personal element involves. It may be described as a personal source rendered to the community in connection with marketing of goods

It is a marketing process with which consumers are personally persuaded to by goods and services offered by a manufacturer. The most powerful element in the promotional mix is salesman ship, is not something very new. Even contraries ago salesman ship was practiced in Greece and Rome. According to Peter Drucker Cyrus Micronized was the first man to use modern technique of selling.

Features:

1. It helps to establish a cordial and abiding relationship between the organization and its customers.
2. It is a creative art. It creates wants a new.
3. It is a science, in the sense that “One human mind influences another human mind”.
4. Personal selling imparts knowledge and technical assistance to the consumers.

Promotion includes all those functions, which have to do with the marketing of a product all other activities designed to increase and expand the market. But it is clearly distinguished from advertising and personal selling, through basic aim or all the three is one and the same viz., to increase the volume of sales.

“Sales promotion in a specific sense refers to those sales activities that supplement both personal selling and advertising and co-ordination ate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non recurrent selling efforts not in the ordinary routine”.

Evaluation of Sales Promotion:

Two decades ago, there was no agreement among the marketing people that there was a separate sales promotion function. In those days, promotion was a “share- run to gain a short run good”.

The importance of sales promotion is modern marketing has increased mainly an account of its ability in promoting sales and preparing the ground for future expansion. The main objective of sales promotion is to attract the prospective buyer towards the product.

ADVERTISING

Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them, as defined by the Advertising Association of the UK.

Advertising is always present, though people may not be aware of it. In today's world, advertising uses every possible media to get its message through. It does this via television, print (newspapers, magazines, journals etc), radio, press, internet, direct selling, hoardings, mailers, contests, sponsorships, posters, clothes, events, colours, sounds, visuals and even people (endorsements).

The advertising industry is made of companies that advertise, agencies that create the advertisements, media that carries the ads, and a host of people like copy editors, visualizers, brand managers, researchers, creative heads and designers who take it the last mile to the customer or receiver. A company that needs to advertise itself and/or its products hires an advertising agency. The company briefs the agency on the brand, its imagery, the ideals and values behind it, the target segments and so on. The agencies convert the ideas and concepts to create the visuals, text, layouts and themes to communicate with the user. After approval from the client, the ads go on air, as per the bookings done by the agency's media buying unit.

PUBLICITY

The publicity is derived as “Any form of commercially significant news about a product, and institution, a service, or a person published in a space or radio i.e. not paid for by the sponsor”. In short advertisement is paid form of publicity. It is to be noted here that though the terms 'ADVERTISING' AND 'Publicity' or differences in the field of marketing, both are used interchangeably.

The media are broadly classified into direct indirect. Direct method of advertising refers to such methods used by the advertiser with which he could establish a direct contact with the prospects. Most of the media are indirect in nature EX: Free Publicity, cinema, etc.

NEED AND IMPORTANCE OF THE STUDY:

The increasing competition in business is the reason to pay much more attention to satisfying customers. It may help the market to notice role of customer satisfaction in the overall context of product of service development and management.

Customers do not buy services, they buy satisfaction. Hence marketers must be clear about the satisfaction the customer is seeking and check out whether the customers are getting the actual satisfaction. This study helps the marketers to take necessary steps to gain the competitive advantage over the competitors.

The study helps to predict further behavior intentions of the customers such as intention to re-purchase, intention to increase the usage, intention to recommend the product and Service to others. Today the customers have wide variety of motorcycles to chose.

If the satisfaction level of the customer goes down he may switch over to other brand. Ultimately the company loses its actual customers. This study helps the marketer to take necessary steps to overcome this problem and retain in the increase of customer loyalty.

SCOPE OF THE STUDY:

The area of study is considered to be in two districts. Those are Hyderabad and Ranga Reddy districts.

In the present study an attempt has been made to know the actual implementation of Communication Process as management techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance appraisal system in particular.

Human resource projections are valid on appraisals. By improving job skills, the employees have lot of scope for development and prepare themselves for higher responsibilities.

OBJECTIVES OF THE STUDY:

- To study the promotion and Advertising activities offered by **Maruthi Suzuki (Varun Motors)**.
- To identify the impact of sales in the market by using promotional strategies of **Maruthi Suzuki (Varun Motors)**.
- To study the influence of schemes offered by firm on sales.
- To study the customer's awareness towards the after sale services offered to him or her.
- To study the effect of advertisement on the customers to promote the product.
- To study the customer satisfaction with usage of their Cars.
- To study the information resources that the customer using before purchasing the Cars.

RESEARCH METHODOLOGY:

SOURCE OF DATA:

Primary Data:

The primary data is collected through questionnaires from the customers.

Secondary Data:

The secondary data is collected from the books, journals and internet.

Data collected method:

The data is collected through close ended questionnaire.

Sample size:

- The sample size of the survey (N) is 100.
- Samples are collected customers of showroom.
- The age limit of the customers is in between 20-55.
- The customers will be randomly selected.

Tools & Techniques: For analyzing the data statistical tables, percentages, and bar-diagrams will be used.

Further scope of study; The topic of promotional activities is vast there is further scope of study for eg; Advertising, sales promotion etc.

Kind of research: The research study will be carried out in qualitative and quantitative research approaches.

The research has to be done in very efficient way; the frame work for collecting data is called research design.

The statistical involves the study of a few factors in large number of cased. The contents of research design are

- Data collected method.
- Research instrument.

Survey approach: The survey will be conducted through close ended questionnaire. This questionnaire will contain the multiple choice questions; each question will be given options. The collection of data in survey follows two types they are

- Primary data (first hand data).
- Secondary data (used data).

Period of the Study:

Since so many years **Varun Motors (Maruthi Suzuki Dealer)** Hyderabad has been following the same procedure of Communication Process for their executives and employees and for the study of my project last one-year data has collected on Promotional Activates..

LIMITATIONS OF THE STUDY:

- Primary data analysis only depended on the respondents.
- Process of study/survey is limited only to some customers.
- Survey will be conducted for the period of 45 days only.
- Due to constraint of time only city is selected and so it cannot claim to be a comprehensive study of the population.

CHAPTER - II
REVIEW OF LITERATURE

2.1 LITERATURE REVIEW

ARTICLE – I

TITLE : The Impact of Sales Promotions on the Performance of Auto-Mobile Industries in Ghana: A Case Study of PHC Motors (Accra-Ghana)

AUTHOR : Isaac Tandoh*

Journal : European Journal of Business and Management, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.11, 2015

ABSTRACT : The purpose of the study was to assess the impact of sales promotion on organisational performance in the auto mobile industry in Ghana. The study was conducted at PHC Motors Ghana's Retail Outlet in Accra, Ghana. The objective of the study was to examine the relationship between sales promotion and organizational performance, to examine the effect of sales promotion in the automobile market, and to identify the challenges hindering sales promotions effectiveness. The study used descriptive research approach and the data was purely quantitative. In order to achieve this objective, thirty (30) respondents were selected using purposive and random sampling techniques. The Data was analysing using SPSS obtained from the field. The research revealed that the impact of sales promotion on organizational performance in PHC is intense. Also, from the management perspective most of the respondents agree that sale promotion provides extra incentives to purchase as well as stimulating resellers demand and effectiveness. The study devoted to conclude the relationship between sale promotion and the organizational performance, most sales promotion provide extra incentives to purchase as well as stimulating resellers demand and effectiveness. It revealed that effective sales promotion increase sales. The researcher therefore recommended that, management of PHC Motors should embark on more strategic sale promotion in order to increase their market share and profitability.

Keywords: Sales promotion, Auto mobile industry, Performance, Relationship, Ghana.

ARTICLE – 2

TITLE : Enhancing Promotional Strategies within Automotive Companies in Malaysia

AUTHORS : Nor Amira Mohd Alia, Muhammad Hanif Abdul Gafarb, Jamaludin Akbarc

JOURNAL : Published by Elsevier B.V. Selection and peer-review under responsibility of ICEBR 2013 doi: 10.1016/S2212-5671(13)00230-X

ABSTRACT : Rapid growth of the economy and high purchasing power of its population have made Malaysia the largest passenger car market in ASEAN. With a ratio of 200 cars for every one thousand people, Malaysia ranks among the top countries with high car ownership ratio in the region. Toyota, Honda, KIA, BMW, Mercedes Benz, Volvo are some of the global automotive companies which have set up operations in Malaysia to take advantage of the buoyant consumer demand. Thus, the automotive companies in Malaysia have spent huge amount of money for promotional strategies in order to maintain their sales. To date, the companies have introduced various strategies such as ‘promotional mixed’ which are advertising, internet marketing, personal selling and public relation/publicity in accordance to changes in the consumers’ socio-economy, technology, and competition aspects. Nevertheless, the success of these strategies is vague. Therefore, this study aims to identify which promotional strategies have reached the consumer most and to determine to what extent these promotional strategies influence the consumers. Our model of study is based on AIDA concept and this model proposed that consumers respond to marketing messages in a cognitive (thinking), affective (feeling), and conative (doing) sequence. In addition, the population of the study is the consumers who purchase car in Malaysia. We strongly believe that the study will help the automotive companies in Malaysia to understand the so called “new” market and prepare them to be more competitive via promotional strategies.

KEYWORDS: Promotional Strategies, Automotive Industry, AIDA Concept;

ARTICLE – 3

TITLE : New Products, Sales Promotions, and Firm Value: The Case of the Automobile Industry

AUTHORS : Koen Pauwels, Jorge Silva-Risso, Shuba Srinivasan, & Dominique M. Hanssens

JOURNALS : Journal of Marketing Vol. 68 (October 2004), 142–15

ABSTRACT : Year after year, managers strive to improve financial performance and firm value through marketing actions such as new product introductions and promotional incentives. This study investigates the short- and long-term impact of such marketing actions on financial metrics, including top-line, bottom-line, and stock market performance. The authors apply multivariate time-series models to the automobile industry, in which both new product introductions and promotional incentives are considered important performance drivers. Notably, whereas both marketing actions increase top-line firm performance, their long-term effects strongly differ for the bottom line. First, new product introductions increase long-term financial performance and firm value, but promotions do not. Second, investor reaction to new product introduction grows over time, indicating that useful information unfolds in the first two months after product launch. Third, product entry in a new market yields the highest top-line, bottom-line, and stock market benefits. Managers may use these results to justify new product efforts and to weigh short- and longterm consequences of promotional incentives.

ARTICLE – 4

TITLE : The Potential Relationship between Automobile Advertising and Consumers

AUTHORS : Kuang-Jung, Mei-Liang, Ya-Ling,

JOURNAL : The Journal of Global Business Management (JGBM) Vol. 16 Num. 1, April 2007 issue.

ABSTRACT : Advertising is a chief conveyer of product messages. Today, the auto industry uses all kinds of advertising approaches to attract the attention of consumers. Every carmaker invests an enormous amount of money on advertising, yet the one spending the most does not always become the most recognized or the most successful in sales. The purpose of this study is to find out the principal considerations of consumers when they shop for cars, and to probe into the success of the best-selling models from the three top carmakers in 2007. It will examine the target consumer groups the latest TV commercials are targeted at and the principal advertising strategies employed, and propose reasonable suggestions based on the results.

Keywords: Auto industry, advertising, marketing

ARTICLE – 5

TITLE : SALES PROMOTIONAL TOOLS USED BY PASSENGER CARS DEALERS IN HADOTI REGION AND THEIR IMPACT ON BUYERS` BEHAVIOR

AUTHORS : Kaveesh Sharma, Dr.Anand Kumar

JOURNAL: International conference on Innovative Research in Science, Technology and Management, ISBN:978-93-86171-20-7, 22nd -23rd January 2017

ABSTRACT : In today`s era when competition is cut throat in every industry, coming up with effective sales promotional tools is really imperative for a company in order not just to survive but also to be noticed in the crowd. India is the second fastest growing automobile market in the world after China.And after globalization doors of opportunities are open to all to come and sell their cars in India.But having the best products doesn`t assure one`s survival unless its sales schemes and promotional strategies are not customer centric and unprecedented. It can`t be denied that how extensively sales schemes and promotional tools used by such automotive dealers influence not only just buyers` behavior but also their further buying decision. Ostensibly, In that case it becomes an essence for these dealers to keep their promotional tools unique and tempting. The purpose of this paper to investigate the effects of various sales promotional tools used by passenger car dealers in Hadoti Region on the purchasing decision of buyers.

Key Words: Passenger Car Industry , Sales schemes, sales promotional tools, Hadoti region,Buyers`s behavior , Buyers` decision making.

2.2 THEORETICAL FRAMEWORK

Current issues in Sales Promotion

The issue of sales promotion has been receiving increasing attention from both advertising and marketing professionals and academicians. This increase of attention can be explained by two major interrelated factors: first, the nature of sales promotions - it brings certain measurable (as opposed to advertising) impact on sales, which attracts many marketing managers; it also has been proven by time to be the effective collection of techniques to increase sales. However, the phenomenon of sales promotion is not studied very widely.

Sales promotions expenditures for most of the companies are increasing, however with the total promotional budgets staying relatively the same it can be assumed that the increase of expenditures on sales promotion come at the expense of decreasing advertising budgets.

There are several reasons explaining this phenomena: *Increased brand parity and price sensitivity of consumer* - with more brand choices available to the consumer and with the fact that product differences are becoming less and less apparent, consumers are becoming more and more reliant to the price and price incentives. This goes hand in hand with another reason of increasing sales promotions budget - **decreased brand loyalty**. Consumers are getting used to the fact that almost always at least one brand category is on sale or on a sales promotional offer. Another reason is coming from the roots of corporate culture and the reward and promotion strategy within corporations - in the conditions of severe competition there is increasing **pressure on brand managers to show fast results in terms of increased sales** and nothing is as effective in short run as sales promotions to achieve this goal. Another explanation has to do with the **consumer responsiveness to money saving options** - for example the results of NCH Consumer Survey indicate that on average 80.5 percent of consumers in US used coupons over the period of 1996-1999. (Shimp 1993). One more reason for increasing sales promotion importance is that **many product categories on the market are in the mature stage** and according to the product life cycle theory, sales promotions are extremely effective in maturity stage of the product helping to boost sales. (Blattberg, Neslin 1990). Finally the reason that is very relevant to highly competitive markets, where companies find themselves constantly fighting for the smallest piece of market share - "**prisoner's dilemma**" **spiral** - which is very similar to a price war situation. Manufacturers are locked into defensive reactive escalation of sale promotional expenditures. If one company cuts its sales promotions, it will suffer short-term loss, chances are that competitors will take advantage of that, if the company increases its sales promotional

expenditures short term increase of sales might be very small because competitor reacts. (Blattberg, Neslin 1990)

Because of highly practical importance of sales promotion the number of publications in trade press on sales promotion has increased dramatically over the past decade. However the same is not true for academic press. Though there is a certain increase of articles on the topic in the academic journals, there still are a lot of potential areas for research that didn't receive enough attention. The purpose of this paper is to reveal what is really known and proven about sales promotions, to systematize knowledge already available, discuss different models available in literature and to identify possible directions of future research. Please note that this paper is not intended to discuss the issues relevant to each particular element of sales promotion, rather it is focused on the general issues and characteristics shared by all (or most) of the components.

Uncertain Definitions of Sales Promotions

Systematization of knowledge on sales promotion I believe should start from systematizing the definitions of concept. There is lack of conformity in methodology and hence in the definition of what can be considered sales promotion. (Kotler 1983, Levy 1971, Shimp 1993). The word "**promotion**" comes from a Latin word meaning "to move forward". So, in this case any tool(s), method(s), technique (s) that stimulates the growth of the sales can be considered a part of sales promotion. However this is not that simple.

There are number of different definitions focusing on various characteristics of sales promotion. This diversification as it will be shown later plays very important role in identifying objectives and models for promotions.

1. "Sales promotion consists of a diverse collection of incentive tools, mostly short-term designed to stimulate quicker and/or greater purchase of a particular product by consumers or the trade." (Kotler, 1988)
2. "Sales promotion is the direct inducement or incentive to the sales force, the distributor or the consumer with the primary objective of creating and immediate sale" (Shultz, Robinson 1982)
3. "Sales promotion is the methods or techniques for creating public acceptance of or interest in a product, usually in addition to standard merchandising techniques, such as advertising,

and personal selling; generally consisting of the offer of free samples, gifts made to purchaser etc. (Random House Unabridged Dictionary 1983)

4. "Sales promotion represents those marketing efforts that are supplementary in nature, are conducted for a limited period of time and seek to induce buying " (Davis, 1981)

b. Sales promotions are all marketing activities that attempt to stimulate to quick buyer action or attempt to promote immediate sales of product" (Shimp, 1993)

All those definitions are stressing different aspects of sales promotions and all of them are correct ones. There are several common characteristics that might be drawn out of these definitions. (Blattberg, Neslin 1990)

A) Sales promotions are action focused - the emphasis is on consumer to make some action in a limited period of time.

B) Sales promotions are marketing events - they all happen within marketing strategy of the company/ organization. As early as in 1967 researchers were concerned that interaction of the promotions with other elements of marketing mix should not be ignored (Engel 1967). Because promotions include so many difference tools and mechanisms there is an ongoing threat of viewing sales promotional techniques in isolation from other marketing mix elements.

C) Sales promotions are designed to have a direct impact on behavior. It is argued in the literature that while advertising goes through the process of cognition and then influences an action, promotion is believed to work directly on behavior. Also, sales promotion gives extrinsic reason to buy a product, whereas advertising focuses to internal qualities or brand equity of the product. A common assumption is that advertising, word-of-mouth or the salesperson has informed the consumer about the product, while sales promotion gives them additional reasons to buy.

Taking into account the points discussed above the summarized definition of sales promotion can be presented as follows:

"Sales promotion is an action-focused marketing event whose purpose is to have a direct impact on the behavior of the firm's customers". (Blattberg, Neslin 1990). One of

the aspects that is not reflected in this operational definition is the short-term effect of promotion, this issue is still under discussion and will be addressed later in the paper.

Forms and Objectives of sales promotion

There are many sales promotional techniques (and the number is still growing with the development of new ways to reach consumers), but they can apparently be reduced to 12 classical and widely used. The rest of the techniques usually include some kind of combination of these 12 most used techniques of sales promotion.

1. Sampling - the use of various distribution methods to deliver actual or trial size products to consumers with the purpose to initiate trial.

2. Coupons - A promotional device that provides a price-off to consumer upon redeeming the coupon

3. Trade incentives - incentives that are given to retail managers and sales people for performing tasks such as displaying merchandise or selling certain lines of merchandise.

4. Trade allowances - deals that are offered to retailers for performing activities in support of manufacturer brand

5. Price-offs - promotion which entails a reduction in the brand's regular price.

6. In, on, and near-packs (and reusable containers) - specially designed pieces that retailers give to consumers who purchase the promoted product.

7. Free-in the mail premiums - a promotion in which consumers receive premium item from the sponsoring manufacturer in return for submitting a required number of proofs of purchase.

8. Self-liquidating premiums - a method where the consumer mails in a stipulated number of proofs of a purchase along with the fee to cover manufacturer's costs of shipping and handling of premium item. From manufacturer's point of view this form of promotion is cost free, and therefore the name is self-litigating.

9. Contests and sweepstakes - a form of consumer oriented promotion in which winners receive prizes, cash, or merchandise.

10. Refund offers - A cash reimbursement to the consumer by the manufacturer whose product the consumer has purchased.

11. Bonus packs - Extra-quantities of a product that company gives to consumers at a regular price.

12. Stamp plans and continuity premiums - type of promotion where the consumer is getting rewarded for continuous use or repetitive purchase of a product/service, f.ex frequent flyer programs.

These techniques can be trade or consumer oriented.

Because sales promotional tools are so varied in form, no single unified objective can be identified for them. There are three major contributions of sales promotions that have practical influence of the objectives of promotion: (Kotler 1988)

1. Communication - promotions gain attention and usually provide information that may lead the consumer to the product

2. Incentive - they incorporate some concession, inducement or contribution designed to represent value to the receiver

3. Invitation - promotions include a distinct invitation to engage in the transaction now.

Within these three major goals that sales promotion help to accomplish, specific objectives might be reach of new users, reinforcement loyalty of old users, increase product usage, introduction of new product, increase distribution channels, Obtain trade support and improve or built trade relationship. For quick reference please see Table 1.

Table 1: Source: Shimp T, " Promotional Management and Marketing Communications"

Major Consumer-Oriented Forms of Sales Promotions

CONSUMER REWARD	MANUFACTURER'S OBJECTIVE		
	TRIAL IMPACT	FRANCHISE HOLDING/LOADING	IMAGE REINFORCEMENT
IMMEDIATE	(1)	(3)	(5)
	<ul style="list-style-type: none"> ■ Sampling ■ Instant coupons ■ Shelf-delivered coupons 	<ul style="list-style-type: none"> ■ Price-offs ■ Bonus packs ■ In-, on-, and near-pack premiums 	
DELAYED	(2)	(4)	(6)
	<ul style="list-style-type: none"> ■ Media- and mail-delivered coupons ■ Free-in-the-mail premiums ■ Scanner-delivered coupons 	<ul style="list-style-type: none"> ■ In- and on-pack coupons ■ Refunds and rebates 	<ul style="list-style-type: none"> ■ Self-liquidating premiums ■ Contests and sweepstakes

As it is mentioned in the beginning of the paper, the primary objective is to identify common traits of sales promotional techniques and not each of its elements separately. So, I'll proceed talking about the objectives of sales promotions and what sales promotion can do for the company and what it can't do.

What sales promotion can do? Myth vs. Reality

This part of the paper organized as following - each point is presented and then analyzed in respect of the research done in that area. Most of the points are very logical assumptions that anyone in the marketing and advertising believes in, however I couldn't trace the research done to justify some of those points, that is the reason that several of the issues are just mentioned without overview of the research findings in the area. These are potential white spots of sales promotion and would the research be conducted some of the very interesting findings may come out. Some of this points have been proven practically by the industry, but that kind of research was beyond the scope of academic literature review.

Consumer oriented deals

1. Sales promotion can obtain trial of the product.

"Innovate or Die" nowadays may be the slogan for many companies, especially in food and health industry. This view is reflected in the number of new products introduced yearly; New Product News reports that in 1990s, there were 13,244 introductions with 10,301 introductions coming from food categories. In 1999, the comparable figure for the food

category was 9,814, with the highest introductions in condiments, candy, bakery foods, dairy products, and beverages. The evidence is clear: retailers are confronted yearly with large numbers of introductions in a wide variety of categories. (Desiraju 2001) Obviously in these conditions one of the best ways to get your product noticeable to consumer and to make them switch from other brands is sales promotions techniques.

2. Sales promotion can encourage repeat usage of the product or increase product usage by loading consumers.

The first part of this argument is supported by Neslin, Quelich, Henderson 1982 - the results of their research show that acceleration of purchase quantity is stronger among heavy users than light users.

3. Invigorate the use of mature product

4. Sales promotion can affect purchase acceleration - Here two aspects of purchase acceleration should be considered - increased quantity and decreased interpurchase time. (Neslin, Quelich, Henderson 1982). However there is a very important question - how these two aspects will influence (counteract) each other due to the stockpiling effect. As it was shown in the above mentioned research (see also Gupta 1988), purchase acceleration is predominantly exhibited in increased purchase quantities rather than shortened interpurchase times.

5. Sales promotion can introduce a new or improved product or different packaging

6. Sales promotion can be used to neutralized competitive advertising or sales promotion

7. In general sales promotions can built on brand sales more rapidly than advertising.

As was discussed earlier in this paper sales promotion tend to produce sharp and fast increase in sales of the brand. This however was opposed by the issue of short term and long term impact of the promotion, discussed later on in the paper. In addition to that one issue that is worth discussing here is cost /sales ratio for advertising and promotion. Empirical study has shown that variation in the firm level ratio of advertising and promotion is the function of market share, market growth rate and the interaction between the two. And though replication of the study did not confirm the results of the original research, this is still considered as one of the possible explanations of the variations of the levels of advertising and promotional

expenditures for different companies. (Balasubramanian, Kumar 1990, Ailawadi, Farris, Parry 1997; Balasubramanian, Kumar 1997)

Trade oriented Deals

- 9. Sales promotion can obtain feature pricing, displays, and other dealer in-store support**
- 10. Sales promotions can help to increase or reduce trade inventories**
- 11. Sales promotion can help to expand distribution.**

What sales promotions can't do

Consumer oriented deals

- 1. Sales promotion cannot built brand loyalty or enhance brand image.**

While the first part of the statement is now perceived as axiom, there are disputes over the fact whether sales promotions have negative effect on brand equity and brand evaluation. The classic research done by Dobson, Tybout and Sternal (1978) argued that use of promotion decrease the brand evaluation. This was supported by self-perception theory - psychological model of response to sales promotion suggested by Sawyer and Dickson (1984). However the further research on this issue (Neslin and Showmaker 1989; Scott Davis, J. Inman, L. McAllister 1992) shows the absence of the negative effect on the brand evaluations. It is actually suggested that with low involvement product category promotions might actually have positive influence on brand evaluation Scott Davis, J. Inman, L. McAllister 1992).

- 2. Sales promotion can not reverse a declining sales trend**

According to research done probability of repurchase after purchasing on deal will vary according to the type of sales promotion and the cues that these promotion sent.(Sawyer and Dickson 1984)

- 3. Sales promotion can not change basic consumer non-acceptance of the product**

- 4. Sales promotion can not compensate for inadequate levels of consumer advertising**

- 5. Sales promotion cannot overcome product problems in pricing, packaging, quality or performance.**

Trade

1. Sales promotion cannot compensate for a poorly trained sales force
2. Sales promotion cannot overcome poor product distribution
3. Sales promotion cannot compensate for a lack of consumer advertising

Effectiveness and success factors of sales promotion

Sales promotions are most effective

1. On new brands enjoying and improving competitive trend
2. In conjunction with a sales drive to increase store distribution
3. When used only occasionally
4. In addition to - rather than a replacement of brand advertising.

These four conditions were taken from J.O. Peckham's list from "Wheel of Marketing" published in 1977. (Shuhltz 1982). The real challenge is now to see whether these conditions have changed resulting in sales promotions being effective in other situations and not effective in those described above over time. No research was found not confirm these conditions.

Research (based on empirical study of most successful sales promotional campaigns) indicates that several variables are playing a very important role in determining the effectiveness of sales promotion. One of the main correlate of successful promotions is **greater sales force support and trade support** (Hardy 1986). Other factors that are considered somewhat less important relative to sales force and trade support is incentive level that that particular promotion gives (Hardy 1986).

How to evaluate effectiveness

One of the approaches to evaluate sales promotions recently discussed in the literature recently is based on the fact that sales promotion is merely an alternative element of a company's communication package, so the extrapolation of the concepts of communication into the sales promotion sphere is very appropriate. As with advertising and other forms of media, promotions speak directly to the consumer and the major function then becomes the one of communication. (See objectives of sales promotions). Determining the effectiveness of a particular promotion can be a matter of how well the plan communicates with the intended consumer. In other words, companies can gain a better understanding of their customers and the effectiveness of their promotional plans by understanding the communication elements triggered by their plan. (Gardener, Trivedi 1998)

Models / Measurements of Sales Promotions

As I mentioned in the beginning of my paper the effects of sales promotion are more measurable than for example effects of advertising, especially nowadays with all the scanned data available through retailers. The possibility of measuring to predict sales promotion was first mentioned by Lee Adler in as early as 1963. He presents one of the first methods/models of measuring effectiveness of sales promotion, where he correlates the objectives of each form of sales promotion with the specific method of measurement. (Lee Adler, 1963). However, surprisingly enough quantitative analysis of sales promotion activities have not led to the same level of sophistications that found in advertising decision making models. The reason for that might be that for a long time sales promotion was perceived as playing secondary role to advertising and personal selling; some early definitions of sales promotion presented in the beginning of this paper clearly indicate that. In spite of this there are several classical models of sales promotion that were developed decade or two ago but are still used analyzing sales promotions.

The Kuehn-Rohlov model

This is the learning brand-switching model that are designed to evaluate promotions in several ways - first they show who is attracted by the promotions, and then separate the ones that have higher pre-purchase probability. The authors also demonstrate how to use the model to study the relationship among deal type, brand, and product-to-product repurchases for both new buyers and for existing customers.

Rao-Linnen Model

This model was developed on the base of the franchise-retail environment, and though it is still not clear whether the model can be used outside franchise-retailing environment it has number of crucial characteristics. One of the most important characteristics of this model is that is able to deal with multiple simultaneous promotions and shows how joint effects of multiple simultaneous promotions can be handled. It is the first model that deals with the joint competitive effects and the joint effects of several promotions simultaneously.

Little's Brandaid Promotional Model

This is part of the Brandaid aggregate marketing model developed by Little. He actually looks at two contracts - promotional time and promotional response function. The idea behind the model is that when consumers know that there is a promotion coming they might postpone the buying of the product.

One of the aspects that receives increasing attention in the promotional modeling in promotional expenditures. How much to spend on sales promotion relative to advertising was the topic of several researches done for the last 20 years.

Other important considerations in sales promotion

One of the areas of sales promotion that are still under discussion and that deserve to be mentioned separately due to its high importance is **long-term effects of sales promotion**. Many years it was argued that promotional activities have only short-term effect on sales and brand preferences whereas advertising essentially builds on brand equity. However some modern research challenges this view. There is some published work that studies the long run effects of promotions and advertising.

Another important aspect of sales promotion is **customer's attitude** towards sales promotional activities. Again, one of the spread conceptions is that consumers really they don't remember promotional offers, don't understand the effect and benefits of all the promotional activities. Number of findings in research prove this case, for example Scott et al (1992), Dickson and Sawyer (1990) found that consumers in our study appear to remember information about promotions very poorly, they were not able to identify the depth of the price cuts.

Dickson and Sawyer (1982) suggested number of psychological models of consumer response to promotional activities. The implications of this models give an insight into short-term versus long-term communication effect of sales promotions. In respect to the issue of consumer response a research done by Fox, Reddy and Rao 1997 should be mentioned. They studied repetitive promotional stimulus and consumer response to that.

Market trends influence on sales promotion

In 1987 Douglas Haley identified 10 trends of the market that have showed influence of promotional strategy of companies. Some of those trends are valid till now.

1. Promotion Proliferation - there are many forms and combinations of sales promotions techniques that are being used nowadays. Their relative importance might change over time but the fact is that they are growing both in terms of the money spent on them and in variety, that includes uses of new media and new forms of communications.

2. Scanned data - nowadays we possess incredible amount of very valuable information obtained via scanners in the retailing stores. The industry have the technology to track the purchases, however it hasn't really discovered the ways to use this data very efficient. This definitely presents a real challenge for future research.

3. Decreasing response time - this works both for the consumers and for the companies. With the improving communication channels and the increase of the speed of communication process (here one might argue - with the increase of pace of life in general) consumers are responding faster to the promotional offers, if they are interested. The same principle holds for the competitors' response. - companies tend to react faster to the promotional offers of their rival, decreasing therefore the amount of return on the initial promotional offer of competitor (see the prisoner's dilemma's spiral).

4. On-line promotions - New challenge

While writing about the sales promotion nowadays, one can't ignore the issue of increasing sales promotional activities online. This is very important and valuable component of dot.com operations. As indicated in Table 2

Method of driving traffic to site	Percentage of respondents
E-mail promotion	63%
Coupons	43%
Click-through banner ads	38%
Traditional advertising	29%
Product bots (sites that search for specific products)	21%
Price bots (sites that search for the best prices)	15%

Table prepared from bar graph

Source: E-BuyersGuide.com

Coupons and other type of promotions have very important role in driving traffic to the website and in overall company's operations. There are reasonable amount of research published in the area of online sales promotion, however most of them carry over the same problem as research on sales promotion in general - research done in the area of sales promotion focus on particular element of promotional mix - for example online coupons or frequent mile programs. Yet, there is a clear need for developing general theoretical base and models for online promotions.

Potential areas of research

1. Combining attitude data with scanner data: Unfortunately now scanner data lack consumer attitudes data which is considered to be more stable and long run predictors of choice than are short run marketing activities. In this respect two important directions are being developed now. First, some companies already are beginning to collect attitudinal data from scanner panel members. Second, models for combining stated preferences with revealed preferences are being developed, this combination of psychometric and scanner data will provide invaluable insights into consumer choice behavior.(Gupta 1993)

2. Cross-category analyses: Most of the research studies to date, with a few notable exceptions, have estimated and validated their models using a single data set. According to Gupta extending such analyses to multiple categories will provide at least three benefits. First, it will establish better generalizability of results across different product categories. Second, it will allow to study consumers' choice of a shopping basket. Thrid, such analyses will be useful to understand the store choice and traffic issues.

4. Optimal decisions: The empirically based models are primarily descriptive in nature and though "what-if" simulations can provide a sense of "good" or "bad" decision strategies, this is not always true and as efficient as we want that to be. So one of the possible directions of research to develop normative models that use the results of the descriptive models as the basis to generate optimal marketing mix decisions. (Gupta 1993)

ADVERTISING MANAGEMENT

Advertising-meaning

Advertising is one of the four methods of promotion, via, sales promotion, personal selling, public relations and advertising.

Advertising is a non personal communication of a sales message. It is also known as mass selling. It is not as effective as personal selling but it does facilitate communication with a large no. Of potential buyers at a time. It consists of non personal forms of communication conducted through paid under clear sponsorship .

DEFINITION

“advertising is paid, non personal communication through various media by business firms.”

According to american marketing association **“as any paid form of non- personal presentation and promotion of ideas, goods and services by an identified sponsor.”**

Evolution of advertising

Age of print:

1441 – johannes gutenber creates movable type

Mid 1400 s printed hand bills

1472 – first ad in english “ pyes of salisburg”

1600’s -- news papers

1622 – 1st ad in london’s weekly relations news.

1655 – first use of the term advertising

1704 – 1st us newspapers to carry ads

1841 – volacy planner becomes first ad sales agent (boston)

Industrial revolution and emergence of consumer society:

1850’s – first branded items

1864 – j. Walter thompson forms agency.

1872 – 1st ward's illustrated mail order catalog.
1879 – proctor & gamble introduces ivory soap.
1880 – john powers pioneers copywriting focuses on news.
1888 – george eastman creates 1st kodak camera.
1890's – loud and thomas agency forms.

Modern advertising era:

1904 – 1940's ---- albert lasker pioneers “ reason – why ” copy.
1905 – john e. Kennedy describes advertising as “salesmanship in print”
1905 – 1930's -- claude hopkins develops scientific mail- under copy testing.
1906 – pure food and drug act.
1908 – beginners of celebrity endorsements – pepsi uses ad famed race car driver barney old field.
1912 – “truth in advertising” movement
1914 – ftc act passed

Age of agencies:

1917 – american association of advertising agencies formed.
1918 – stanley & helen person develop account services, brand names and status appeals.
1923 – young & \\\\ agency formed
1930's – radio advertising surpasses magazines as leading ad medium.
1932 – john caples applies scientific methods to mail – order copy and head lines
1940 – clyde bedell develops “ selling stratagems”

The creative era:

1950 – tv become important ad medium.

1950's – Rosser Reeves develops "unique selling proposition"

1960's Leo Burnett creates brand icons and inherent drama.

Accountability era:

1960's – Bill Bernbach focuses on the art of persuasion.

1980's – 1990's – mergers & globalization

1990's – 2000's imc, niche marketing, growth of interactive technology, relationship marketing, mass customization.

2001 – ad takes on new responsibilities

Advertising according to medium utilized

1. Product – related advertising

It is concerned with conveying information about and selling a product or service. Product advertising is of three types, viz,

- A. Pioneering advertising
- B. Competitive advertising
- C. Retentive advertising

I. Pioneering advertising:

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a "primary" demand. It conveys information about, and selling a product category rather than a specific brand. For example, the initial advertisement for black – and – white television and colour television. Such advertisements appeal to the consumer's emotions and rational motives.

II. Competitive advertising:

It is useful when the product has reached the market-growth and especially the market-maturity stage. It stimulates "selective" demand. It seeks to sell a specific brand rather

than a general product category. It is of two types: direct type: it seeks to stimulate immediate buying action. Indirect type: it attempts to pinpoint the virtues of the product in the expectation that the consumer's action will be affected by it when he is ready to buy.

Example: airline advertising.

Air india attempts to bid for the consumer's patronage either immediately - direct action- in which case, it provides prices, time tables and phone numbers onwhich the customer may call for reservations; or eventually – indirect action – when it suggests that you mention air india's name when talking to your travel agent.

III. Retentive advertising:

This may be useful when the product has achieved a favourable status in the market – that is, maturity or declining stage. Generally in such times, the advertiser wants to keep his product's name before the public. A much softer selling approach is used, or only the name may be mentioned in “reminder” type advertising.

2. Public service advertising

This is directed at the social welfare of a community or a nation. The effectiveness of product service advertisements may be measured in terms of the goodwill they generate in favour of the sponsoring organization. Advertisements on not mixing drinking and driving are a good example of public service advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behaviour and benefit the public at large.

3. Functional classification

Advertising may be classified according to the functions which it is intended to fulfill.

(i) advertising may be used to stimulate either the primary demand or the selective demand.

(ii) it may promote either the brand or the firm selling that brand.

(iii) it may try to cause indirect action or direct action.

I. Advertising based on demand influence level.

A. Primary demand stimulation

Primary demand is demand for the product or service rather than for a particular brand. It is intended to affect the demand for a type of product, and not the brand of that product. Some advertise to stimulate primary demand. When a product is new, primary demand stimulation is appropriate. At this time, the marketer must inform consumers of the existence of the new item and convince them of the benefits flowing from its use. When primary demand has been

stimulated and competitors have entered the market, the advertising strategy may be to stimulate the selective demand.

B. Selective demand stimulation

This demand is for a particular brand such as Charminar cigarettes, Surf detergent powder, or Vimal fabrics. To establish a differential advantage and to acquire an acceptable sort of market, selective demand advertising is attempted. It is not to stimulate the demand for the product or service. The advertiser attempts to differentiate his brand and to increase the total amount of consumption of that product. Competitive advertising stimulates selective demand. It may be of either the direct or the indirect type.

II. Institutional advertising

Institutional advertising may be formative, persuasive or reminder oriented

In character. Institutional advertising is used extensively during periods of product

shortages in order to keep the name of the company before the public. It aims at

building for a firm a positive public image in the eyes of shareholders, employees,

suppliers, legislators, or the general public. This sells only the name and prestige of

the company. This type of advertising is used frequently by large companies whose

products are well known. HMT or DCM, for example, does considerable

institutional advertising of its name, emphasizing the quality and research behind its

products.

Institutional advertisements are at consumers or focus them upon other groups, such as voters, government officials, suppliers, financial institutions, etc. If it is effective, the target groups will respond with goodwill towards, and confidence in the sponsor. It is also a useful method of introducing sales persons and new product to consumers. It does not attempt to sell a particular product; it benefits the organization as a whole.

It notifies the consumers that the company is a responsible business entity and is patriotic; that its management takes ecologically responsible action, is an affair- motive-action employer, supports the socialistic pattern of society or provides employment opportunities in the community.

When indian oil advertisements describe the company's general activities, such as public service work, this may be referred to as institutional advertising because it is intended to build an overall favorable attitude towards the company and its family of products. Hmt once told the story of the small-scale industries supplying it with component parts, thus indicating how it aided the development of ancillary industries.

III. Product advertising

Most advertising is product advertising, designed to promote the sale or reputation of a particular product or service that the organization sells. Indane's cooking gas is a case in point. The marketer may use such promotion to generate exposure attention, comprehension, attitude change or action for an offering. It deals with the non-personal selling of a particular good or service. It is of three types as follows:-

A. Informative product advertising

B. Persuasive product advertising

C. Reminder-oriented product advertising

A. Informative product advertising:

This form of advertising tends to characterize the promotion of any new type of product to develop an initial demand. It is usually done in the introductory stages of the product life cycle. It was the original approach to advertising.

B. Persuasive product advertising:

Persuasive product advertising is to develop demand for a particular product or brand. It is a type of promotion used in the growth period and, to some extent, in the maturity period of the product life cycle.

C. Reminder-oriented product advertising:

The goal of this type of advertising is to reinforce previous promotional activity by keeping the brand name in front of the public. It is used in the maturity period as well as throughout the declining phase of the product life cycle.

4. Advertising based on product life cycle

A. Consumer advertising

B. Industrial advertising

A. Consumer advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and alcoholic beverages are examples. Barring a few, all these products are all package goods that the consumer will often buy during the year. There is a heavy competition among the advertisers to establish an advantage for their particular brand.

B. Industrial advertising

Industrial executives have little confidence in advertising. They rely on this form of promotion merely out of fear that their competitors may benefit if they stop their advertising efforts. The task of the industrial advertiser is complicated by the multiple buying influence characteristics like, the derived demand, etc. The objectives vary according to the firm and the situation. They are:

- to inform,
- to bring in orders,
- to induce inquiries,
- to get the advertiser's name on the buyer's list of sources,
- to provide support for the salesman,
- to reduce selling costs,
- to help get items in the news column of a publication,

- to establish recognition for the firm or its product,
- to motivate distributors,
- to recognition for the firm or its products,
- to motivate distributors, to create or change a company's image,
- to create or change a buyer's attitude, and

The basic appeals tend to increase the rupee profits of the buyer or help in achieving his non-monetary objectives. Trade journals are the media most generally used followed by catalogues, direct mail communication, exhibits, and general management publications. Advertising agencies are much less useful in industrial advertising.

5. Trade advertising

A. Retail advertising

B. Wholesale advertising

A. Retail advertising

This may be defined as “covering all advertising by the stores that sell goods directly to the consuming public. It includes, also advertising by establishments that sell services to the public, such as beauty shops, petrol pumps and banks.” Advertising agencies are rarely used. The store personnel are usually given this responsibility as an added task to be performed, together with their normal functions. The result is that advertising is often relegated to a secondary position in a retail store. One aspect of retail advertising is co-operative advertising. It refers to advertising costs between retailers and manufacturers. From the retailer's point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

B. wholesale advertising

Wholesalers are, generally, not advertising minded, either for themselves or for their suppliers. They would benefit from adopting some of the image-making techniques used by retailers – the need for developing an overall promotional strategy. They also need to make a greater use of supplier promotion materials and programmes in a way advantageous to them.

6. Advertising based on area of operation

It is classified as follow:

A. National advertising

B. Regional advertising

C. Local advertising

A. National advertising

It is practiced by many firms in our country. It encourages the consumer to buy their product wherever they are sold. Most national advertisements concentrate on the overall image and desirability of the product. The famous national advertisers are:

Hindustan levers, dcm, itc, jay engineering, tisco

B. Regional advertising

It is geographical alternative for organizations. For example, amrit vanaspati based in rajpura claims to be the leading hydrogenated oil producer in the punjab. But, until recently, it mainly confined itself to one of the vegetable oil brands distribution to malihabad district (in u.p. Near lucknow).

C. Local advertising

It is generally done by retailers rather than manufacturers. These advertisements save the customer time and money by passing along specific information about products, prices, location, and so on. Retailer advertisements usually provide specific goods sales during weekends in various sectors.

7. Advertising according to medium

The most common classification of advertising is by the medium used. For example: tv, radio, magazine, outdoor, business periodical, newspaper and direct mail advertising. This classification is so common in use that it is mentioned here only for the sake of completeness.

Social implications of advertisements

It is generally agreed that advertising exerts a powerful social influence and is criticized for encouraging materialism in society.

Advertising is blamed for manipulating consumers to buy things for which they have no real need, depicting stereotypes and controlling the media.

Materialism is the tendency to accord undue importance to material interests and this tendency perhaps, lessens the importance of freedom, love and intellectual pursuits of society, which are non-material.

People from many countries and cultures believe that *materialism* tends to be negatively related to happiness and hence is considered undesirable.

Advertisements should not attempt to persuade consumers by playing on their emotions, anxieties and psychological needs, such as self-esteem, status, being attractive, etc, thus fostering discontent and exploiting them to purchase products and services that they do not need.

Stereotyping in advertising: stereotyping ignores differences among individuals and presents a group in an unvarying pattern. Critics often point out that advertising perpetuates stereotyping of women. The charge is that advertising has failed to portray the changing role of women in society. Visuals and copies of ads present stereotypical images of Indian women in settings such as family illness, children, cooking, neighbours etc. Or they are shown as dependent on men, subservient, less intelligent etc. They are also shown as decorative objects or sexually provocative figures. There is perceptible improvement in this regard as advertisers have started to recognize the role of working women in family affairs and decision making.

Media Planning

“Media Planning is the series of decisions involved in delivering the promotional message to the prospective purchasers and or on users of the product or brand”

“Media planning is a process, which means a number of decisions are made, each of which may be altered or abandoned as the plan develops”.

Medium:

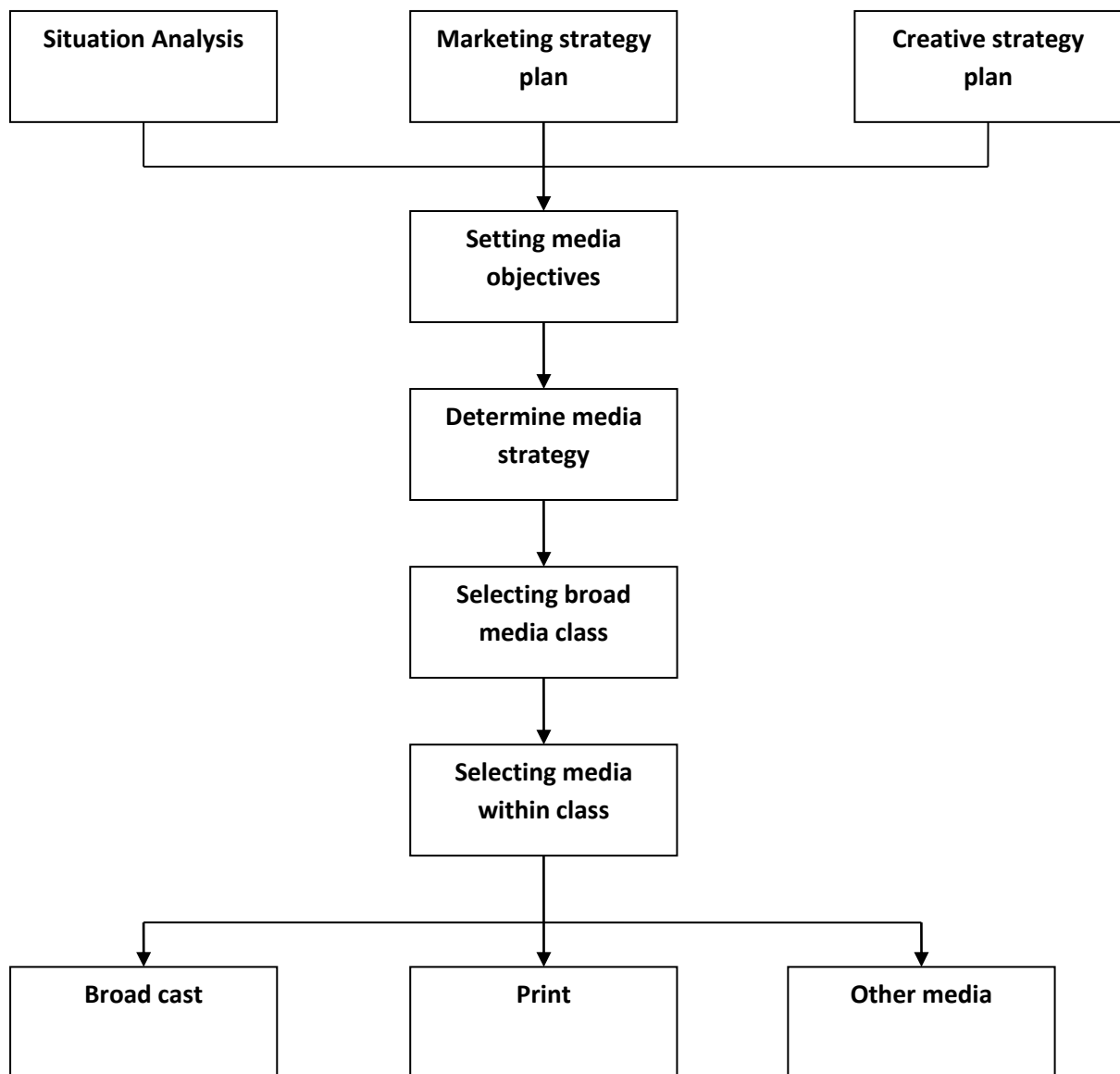
The Medium is the general category of available delivery systems, which includes broadcast media (like TV and Radio). Print media (like Newspapers and magazines), direct mail, outdoor advertising, and other support media.

Media Vehicle

Media vehicle is the specific carriers within a medium category.

The Media Plan / Activities

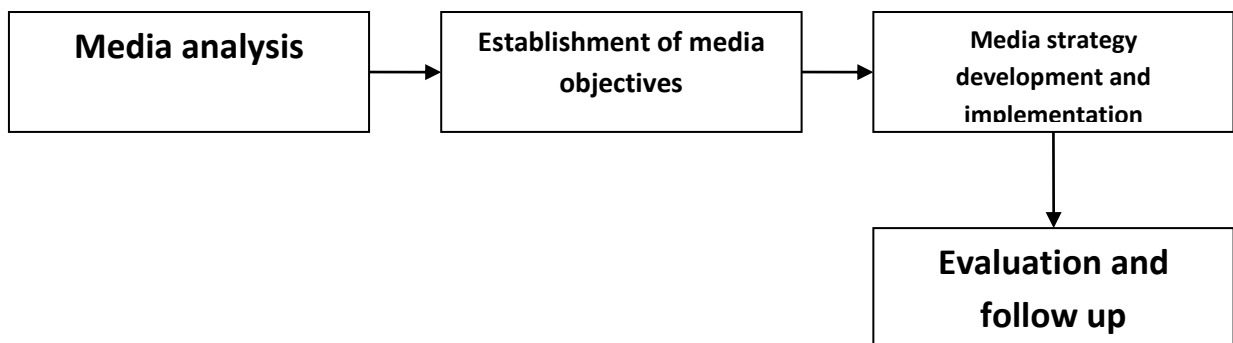
The media plan determines the best way to get the advertiser's message to the market. In a basic source, the goal of the media plan is to find that combination of media that enables the marketer to communicate the message in the most effective manner to the largest no. Of potential customer at the lowest cost.



Problems in Media Planning

1. In sufficient information
2. In sufficient terminology
3. Time pressure
4. Difficulty measuring effectiveness

Steps / Process / Stages involved in Developing the Media Plan



1. Market Analysis & Target market identification.

- To whom shall we advertise?

*Index = Percentage of users in a demographic segment / Percentage of population in the same segment *100*

- What internal and external factors are operating?
- Where to promote-Using Indexes to determine where to promote.

a) The Survey of buying index.

b) Brand development index (BDI).

It helps Marketers factor the rate of product usage by geographic area in to the decision process.

*BDI = % of brand to total country sales in the market / % of total country population in the market *100*

c) The Category Development Index (CDI)

*CDI = % of product category total sales in the market / % of total country population in market *100*

	High BDI	Low BDI
High CDI	The market usually represents good sales potential for both the product and the brand.	The product category shows high potential but the brand isn't doing well; the reason should be determined.
Low CDI	The category isn't selling well but the brand is; may be a good market in which to advertise but should be monitored for sales decline.	Both the product category and the brand are doing poorly; not likely to be a good place to advertise.

2) Establishing Media Objectives

Just as the situation analysis leads establishment of marketing and communication objectives, the media situation analysis should lead to determination of specific media objectives.

Setting Media Objectives

1. Finding target audience
2. Sales geography
3. Timing
4. Duration: How long to advertise?

3) Developing and Implementing Media Strategies

Criteria / Factors to be considered in the development of media plans:

a) *The Media Mix:*

The wide variety of media vehicles are available to advertisers, while it is possible that only one medium and /vehicle might be employed, it is much more likely that no of alternatives will be used.

b) *Target Market Coverage:*

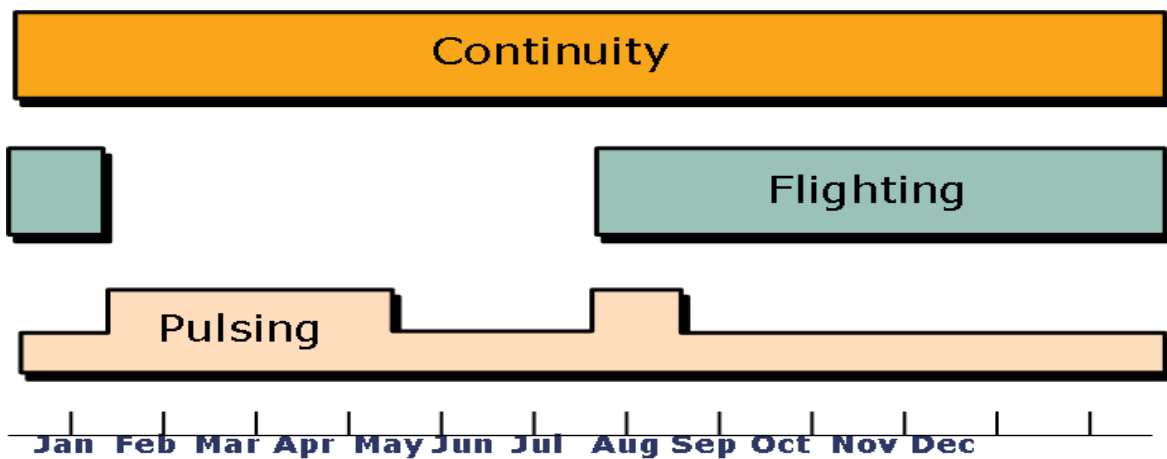
- Full market coverage
- Partial market coverage
- Coverage exceeding target market.

c) Geographic coverage

D) Scheduling:

The primary objective of scheduling is to time promotional effects so that they will coincide with the highest potential buying times.

Types of scheduling



E) Reach Vs. Frequency:

Since advertise have a variety of objectives and face budget constraints, they usually must trade off reach and frequency. They must decide whether to have the message be seen /heard by more people (**reach**) / by fewer people more often (**frequency**). **Reach** is the percentage of the target population exposed at least once to the advertiser’s message during a specific time frame. Equally as important as the percentage of people exposed (reach) is the number of times they are exposed. This rate of exposure is called **frequency**.

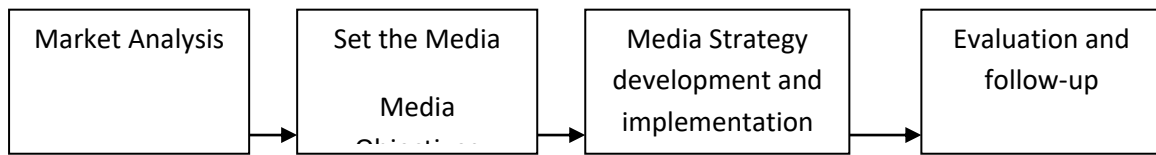
Average Frequency – the average number of times the reached audience is exposed to the media vehicle during a specified period of time.

- How much reach is necessary?

Determinants of reach

1. More prospective customers are reached by a media schedule using *multiple media* rather than a single medium
2. Another influencing factor is the *number and diversity of media vehicles used*
2. Reach can be increased by *diversifying the day parts* used to advertise
 - What frequency level is needed?
 - **Media Class** – refers to the general category of delivery systems available to carry advertising messages to a selected audience such as print media, broadcast media, outdoor media, etc.
 - **Media Vehicle** – is the specific message carrier within a medium, such as computer at home and Business today magazines are vehicles in print media.
 - Broadcast, press, outdoor, posters and cinema are often referred as ‘above-the-line media’.
 - Direct mail, sales promotion, exhibitions, merchandising, sales literature, etc. Are referred to as ‘below-the-line-media’
 - ‘**Media Planning**’ refers to a series of decisions that need to be taken in delivering the ad message to the largest number of the target audience in the most effective manner at the lowest cost. The plan specifies ‘media objectives’ and ‘media strategies’ to accomplish the objectives.
 - ‘**Reach**’ is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time.
 - ‘**Coverage**’ refers to the potential audience that might get exposed to the ad message through a media vehicle.
 - ‘**Frequency**’ refers to the number of times the audience is exposed to a media vehicle in a given period of time.
 - **Gross Rating Points (grps)** – refers to the total weight of a media effort, quantitatively, it is equal to reach multiplied by average frequency.
 - **Continuity** – refers to message deliveries over a period of time or a season. It refers to the timing of the media insertion.
 - The basic goal of a media plan is to formulate a particular combination of media that would enable the advertiser to communicate the message successfully and effectively to the maximum number of potential and existing customers in the target market at the lowest cost.

Steps in the Development of Media Plan



- (i) **Market Analysis and Identifying the Target Market** - The key questions at this stage: (1) who is the target audience for advertising, (2) what internal and external factors may influence the media plan? (3) where and when to focus the advertising effort? The market analysis may reveal more than a few target markets. To decide which specific groups need to be addressed, the media planner works with the client, account executives, marketing department and the creative directors. At this stage, the media planner may need some secondary or primary data regarding the audience size, composition and exposure figures, etc.
- (ii) **Establishing Media Objectives** – media objectives are formulated to help accomplish the advertising communications task and marketing objectives. Media objectives are translated into specific goals for the media programme and are limited to those that can be achieved through media strategies. For examples, the media objectives can be stated as,
- Use print media to provide coverage of 80% of the target market over a six-month period, starting May.
 - Reach 60% of the target audience at least three times over the same six-month period.
 - Concentrate heaviest advertising between October and December, with lighter emphasis in earlier months.
- (iii) **Develop and Implementing Media Strategies**
- Media Mix and Target Market Coverage** – once media objectives are established, planners develop suitable media strategies to accomplish these objectives. The product characteristics, objectives, size of the media budget, and individual preferences are some of the factors that may influence choice of media combination. To effectively cover the target market, the media planner determines the segments that should get the maximum media emphasis.
 - Geographic Coverage** – geography is an important consideration in the media planning process. The demand for certain types of products depends on the

geographic locations of the markets. There may be regional differences in consumption and accordingly media planners select secondary localized media to supplement their national media schedule.

- c. **Scheduling** – media schedule is the calendar of advertising plan. Scheduling is concerned with timing the insertion of advertisements in the selected media. There are three approaches to scheduling:
- i. **Continuity** – refers to a continuous pattern of advertising, which can mean every day, every week, or every month.
 - ii. **Flighting** – refers to a less regular schedule of advertising messages and is quite popular. There are intermittent periods of advertising and no advertising.
 - iii. **Pulsing** – is a combination of continuity and flighting. The continuity is maintained as a base throughout but, during certain periods, the level of advertising stepped up.
- d. **Media Reach and Frequency** – media planners face the essential task of ensuring optimal use of media budget while deciding about the reach, frequency and the number of advertising cycles affordable for the year. Media planners make compromises and strike a balance between reach, frequency and the number of advertising cycles in the planning period.
- i. “**programme rating**” is a measure of potential reach of broadcast media and is expressed as a percentage.
 - ii. “**gross rating points (GRP)**” is a numerical figure indicating how many potential audience members are likely to be exposed to a series of commercials. $GRP = Reach \times Frequency$
 - iii. “**Target Rating Points (trps)**” refer to the number of times and the number of individuals in the primary target audience that the media will reach.
 - iv. “**Impact**” is the intrusiveness of the ad message which means whether the ad message was actually perceived by the audience.
- e. **Qualitative Aspects of Media Vehicle Source** – this concept refers to the qualitative value of the media vehicle and there is general agreement that vehicle source effect exists. **There are at least six attributes that should be considered while choosing a media vehicle:**

- i. **Expertise** – degree of expertise associated with its area of interest is important.
- ii. **Prestige** – for some products the prestige of a media vehicle is considered to be important.
- iii. **Editorial “fit”** – in a media vehicle, when the editorial matter discusses some attribute, it is likely that even an ambiguous ad close by will be interpreted being in mind, as the editorial matter makes discussed attribute readily accessible in the memory.
- iv. **Mood created** – media vehicles can enhance the creativity of a message by creating a mood that affects the impact of a commercial communication.
- v. **Involvement** – the involvement of target audience members in a media vehicle should generate more impact of an ad message as compared to another vehicle that is less interesting to audience.
- vi. **Unbiased approach** – it is also important that advertiser do not attempt to influence the media objectivity.

Determining the relative cost of media:

➤ **Cost per thousand:**

Magazine space is sold primarily on the basis of pages or some increment of a page. It has been used by the magazine industry as a standard method to provide cost break downs on the basis of cost per page per thousand circulation.

➤ **Cost per rating points:**

This is used to compare cost figures of same medium broadcast vehicles and is also referred as cost per point. One rating point means 1% of a broadcast station’s coverage area.

➤ **Milline rate:**

Media buyers use the milline rate to compare the costs of space in newspapers. A milline rate is the cost in rupees per line of standard dimensions to reach a newspaper circulation of one million.

FREQUENCY

The term frequency refers to the number of advertisements of the same size appearing in an individual medium for a given period such as per day, per week, per month, or per campaign. There is no formula to determine the ideal frequency. The two factors are the size of the advertising fund and the size of the advertisement to be run. If these are known, frequency can be derived. The two other factors are the Number of media and the advertising period. As the number of media increases, there is pressure for a lower frequency, or to shorten the advertising period. The other possibilities are to enlarge the fund, or to reduce the size of the advertisement. Manufacturers cannot ignore the fact that what the competitors are doing in respect Of frequency. The more often a message is repeated, the greater the proportion of it the consumer remembers.

Message Design and Positioning

Message design identifies the consumer's perceptions about the products. The following questions give a good insight:

- (i) What is the nature of the product: its generic category.
- (ii) For whom it is meant: the segment.
- (iii) What are the special characteristics of the product? How is the consumer going to be benefited?
- (iv) Who are the competitors? What is their promise?
- (v) Is the product different from the other available products? How? Is it a technological breakthrough?
- (vi) On which occasions will the product be used? How often?
- (vii) What would you like your consumer to perceive this brands as? What position it would take?

The answer to these questions is given by marketing research and by the advertiser and his agency. The creativity of the agency matters more here.

Message Presentation

- Message are to be structured keeping the objective of the communication and the audience in view.
- Messages are presented either centrally or peripherally.

- A *central message* takes a direct route to persuasion. It is a well documented ad. It compares advantages and disadvantages of a product. This central presentation provokes active cognitive information processing.
- *Peripheral presentation* provides pleasant association, scenic background, and favorable inferences about the product. These are distinct, rational and emotional appeal ads.

CHAPTER-III
INDUSTRY PROFILE
&
COMPANY PROFILE

3.1 INDUSTRY PROFILE

INTRODUCTION

The automobile industry in India is the world's fifth largest. India was the world's fifth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. The industry attracted Foreign Direct Investment (FDI) worth US\$ 30.51 billion between April 2000 and June 2021 accounting for ~5.5% of the total FDI during the period according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

The Indian automotive industry is expected to reach US\$ 300 billion by 2026.

Domestic automobile production increased at 2.36% CAGR between FY16-FY20 with 26.36 million vehicles being manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29% CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20.

Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8% and 12.9% market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20.

In September 2021, the total production volume of passenger vehicles (except for BMW, Mercedes, Tata Motors & Volvo Auto), three wheelers, two wheelers and quadricycles reached 2,125,304 units.

In July-September 2021 quarter, the luxury car market registered sales of 8,500 units.

Overall, automobile export reached 4.77 million vehicles in FY20, growing at a CAGR of 6.94% during FY16-FY20. Two wheelers made up 73.9% of the vehicles exported, followed by passenger vehicles at 14.2%, three wheelers at 10.5% and commercial vehicles at 1.3%.

Indian automobile exports stood at 1,419,430 units from April 2021 to June 2021 as compared to 436,500 units in April 2020 to June 2020.

A study by CEEW Centre for Energy Finance recognised US\$ 206 billion opportunity for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure. Between January and July 2021, EV component makers, electric commercial vehicles and last-mile delivery companies invested a total of Rs. 25,045 crore (US\$ 3.67 billion) on electric vehicles. Several technology and automotive companies have expressed interest and/or made investments into the India EV space. Auto companies such as Hyundai, MG Motors, Mercedes, and Tata Motors, have launched EVs in the market. A recent study conducted by Castrol found out, most of Indian consumers would consider buying an electric vehicle by the year 2022. The study also highlighted for an average Indian consumer, price point of Rs. 23 lakh (or US\$ 31,000), a charge time of 35 minutes and a range of 401 kilometers from a single charge will be the 'tipping points' to get mainstream EV adoption.

A report by India Energy Storage Alliance estimated that EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for EV battery market is forecast to expand at a CAGR of 30% during the same period.

In September 2021, the Indian government issued notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of over Rs. 42,500 (US\$ 5.74 billion) by 2026.

The Indian government has planned ~US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles.

The Government aims to develop India as a global manufacturing and research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as National Automotive Board to act as facilitator between the Government and the industry. Under (NATRiP), five testing and research centres have been established in the country since 2015. NATRiP's proposal for "Grant-In-Aid for test facility infrastructure for Electric Vehicle (EV) performance Certification from NATRIP Implementation Society" under FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme was approved by Project Implementation and Sanctioning Committee (PISC) on January 03, 2019. In Union Budget 2021-22, the government

introduced the voluntary vehicle scrappage policy, which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.

The Indian Government has also set up an ambitious target of having only EVs being sold in the country. As of June 2021, Rs. 871 crore (US\$ 117 million) has been spent under the FAME-II scheme, 87,659 electric vehicles have been supported through incentives and 6,265 electric buses have been sanctioned to various state/city transportation undertakings. The Ministry of Heavy Industries, Government of India, has shortlisted 11 cities in the country for introduction of EVs in their public transport system under the FAME scheme. The first phase of the scheme was extended to March 2019 while in February 2019, the Government approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US\$ 1.39 billion) for FY20-22. Under Union Budget 2019-20, Government announced to provide additional income tax deduction of Rs. 1.5 lakh (US\$ 2,146) on the interest paid on the loans taken to purchase EVs.

EV sales, excluding e-rickshaws, in India witnessed a growth of 20% and reached 1.56 lakh units in FY20 driven by two wheelers. According to NITI Aayog and Rocky Mountain Institute (RMI) India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) in 2030.

The Government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investment by 2023.

In September 2021, the Union Minister for Road, Transport and Highways, Mr. Nitin Gadkari announced that government is planning to make it mandatory for car manufacturers to produce flex-fuel engines after getting the required permissions from the Supreme Court of India.

Market Size

Domestic automobiles production increased at 2.36% CAGR between FY16-20 with 26.36 million vehicles being manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29% CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20.

In FY21, the total passenger vehicles production reached 22,652,108.

In October 2021, the total production volume of passenger vehicles (except for BMW, Mercedes, Tata Motors & Volvo Auto), three wheelers, two wheelers and quadricycles reached 2,214,745 units.

Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8% and 12.9% market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20.

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Premium motorbike sales in India recorded seven-fold jump in domestic sales, reaching 13,982 units during April-September 2019. The luxury car market is expected to register sales of 28,000-33,000 units in 2021, up from 20,000-21,000 units sold in 2020. The entry of new manufacturers and new launches is likely to propel this market in 2021.

Investments

To keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry attracted Foreign Direct Investment (FDI) worth US\$ 30.51 billion between April 2000 and June 2021 accounting for ~5.5% of the total FDI during the period according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- In November 2021, Indian Oil Corporation (IOC) and two other public sector oil firms announced that they will install 22,000 electric vehicle (EV) charging stations over the next 3–5 years.
- In November 2021, Tata Motors announced that they will establish vehicle scrappage centres under a franchise set up at Ahmedabad, Gujarat, by the first quarter of the next fiscal year.
- In November 2021, Skoda Auto announced plans to locally manufacture electric cars in India. However, the firm may bring its first EV, the Enyaq, through the CBU route, before committing to local manufacturing.
- In November 2021, Hero Motor (HMC), the parent company of Hero Cycles, entered a joint venture partnership with Yamaha, a Japanese two-wheeler major, to make electric motors for e-bicycles for the global market.
- In October 2021, Tata Motors announced that private equity group TPG along with ADQ of Abu Dhabi has agreed to invest Rs. 7,500 crore (US\$ 1 billion) in its EV division.
- In September 2021, Hero Electric announced plans to expand production capacity at its facility in Ludhiana, Punjab, to >5 lakh units by March 2022, up from the existing capacity of 1 lakh units per year.
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- In August 2021, Hindustan Zinc Ltd. announced a US\$ 1 billion investment across its eight mines to replace diesel-powered trucks and equipment with battery EVs.
- In July 2021, Maruti Suzuki India announced a Rs. 18,000 crore (US\$ 2.42 billion) investment in a new manufacturing facility in Haryana, with an installed capacity of 7.5-10 lakh units per annum. As it prepares to protect its market dominance, the company aims to increase capital spending by 67% to Rs. 4,500 (US\$ 605 million) crore in FY22.
- In July 2021, Hyundai Motor India opened its new corporate headquarters in Gurgaon, backed by a Rs. 2,000 crore (US\$ 269 million) investment.

- In April 2021, Mahindra & Mahindra announced a three-year investment plan in the electric vehicles segment of Rs. 3,000 crore (US\$ 403 million).
- Between January and July 2021, EV component makers, electric commercial vehicles and last-mile delivery companies invested a total of Rs. 25,045 crore (US\$ 3.67 billion) on electric vehicles.
- In FY21, passenger vehicles sales reached 27.11 lakhs units, two-wheelers reached 151.19 lakhs units, commercial vehicles sales reached 5.69 lakhs units and for three-wheelers it was 2.16 lakhs units.
- In 2019-20, the total passenger vehicles sales reached ~2.8 million, while ~2.7 million units were sold in FY21.
- In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles.
- In January 2021, Fiat Chrysler Automobiles (FCA) announced an investment of US\$ 250 million to expand its local product line-up in India.
- A cumulative investment of ~Rs. 12.5 trillion (US\$180 billion) in vehicle production and charging infrastructure would be required until 2030 to meet India's electric vehicle (EV) ambitions.
- In January 2021, Lamborghini announced it is aiming to achieve sales in India higher than the 2019-levels, after recovering from pandemic-induced disruptions.
- In January 2021, Tesla, the electric car maker, set up a R&D centre in Bengaluru and registered its subsidiary as Tesla India Motors and Energy Private Limited.

Government Initiatives

The Government of India encourages foreign investment in the automobile sector and has allowed 100% foreign direct investment (FDI) under the automatic route.

Some of the recent initiatives taken by the Government of India are -

- In November 2021, the union government added >100 advanced technologies, including alternate fuel systems such as compressed natural gas (CNG), Bharat Stage VI compliant flex fuel engines, electronic control units (ECU) for safety, advanced driver assist systems and e-quadricycles, under the production-linked incentive (PLI) scheme for the automobiles.

- In September 2021, the Union Minister for Road, Transport and Highways, Mr. Nitin Gadkari announced that government is planning to make it mandatory for car manufacturers to produce flex-fuel engines after getting the required permissions from the Supreme Court of India.
- In September 2021, the Indian government issued notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of over Rs. 42,500 (US\$ 5.74 billion) by 2026.
- The Indian government has planned ~US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles.
- As of June 2021, Rs. 871 crore (US\$ 117 million) has been spent under the FAME-II scheme, 87,659 electric vehicles have been supported through incentives and 6,265 electric buses have been sanctioned to various state/city transportation undertakings.
- In July 2021, India inaugurated the national automotive test tracks (NATRAX), which is Asia's longest high-speed track to facilitate automotive testing.
- In Union Budget 2021-22, the government introduced the voluntary vehicle scrappage policy, which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.
- In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles.
- The Union Cabinet outlaid Rs. 57,042 crore (US\$ 7.81 billion) for automobiles & auto components sector in production-linked incentive (PLI) scheme under the Department of Heavy Industries.
- The Government aims to develop India as a global manufacturing centre and a Research and Development (R&D) hub.
- Under NATRiP, the Government of India is planning to set up R&D centres at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards.
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The Government will also set up incubation centre for start-ups working in the EVs space.

- In February 2019, the Government of India approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US\$ 1.39 billion) for FY20-22.

Achievements

Following are the achievements of the Indian automotive sector:

- In H12019, automobile manufacturers invested US\$ 501 million in India's auto-tech start-ups according to Venture intelligence.
- Investment flow into EV start-ups in 2019 (till end of November) increased nearly 170% to reach US\$ 397 million.
- On 29th July 2019, Inter-ministerial panel sanctioned 5,645 electric buses for 65 cities.
- NATRiP's proposal for "Grant-In-Aid for test facility infrastructure for EV performance Certification from NATRIP Implementation Society" under the FAME Scheme was approved by Project Implementation and Sanctioning Committee (PISC) on 3rd January 2019.
- Under NATRiP, following testing and research centres have been established in the country since 2015.
 - International Centre for Automotive Technology (ICAT), Manesar
 - National Institute for Automotive Inspection, Maintenance & Training (NIAIMT), Silchar
 - National Automotive Testing Tracks (NATRAX), Indore
 - Automotive Research Association of India (ARAI), Pune
 - Global Automotive Research Centre (GARC), Chennai
 - SAMARTH Udyog - Industry 4.0 centres: 'Demo cum experience' centres are being set up in the country for promoting smart and advanced manufacturing helping SMEs to implement Industry 4.0 (automation and data exchange in manufacturing technology).

Road Ahead

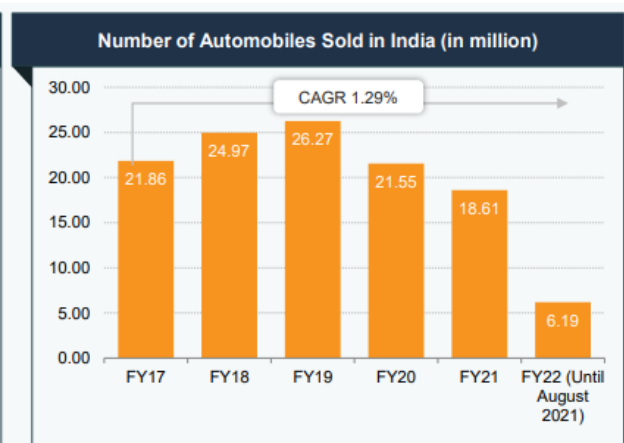
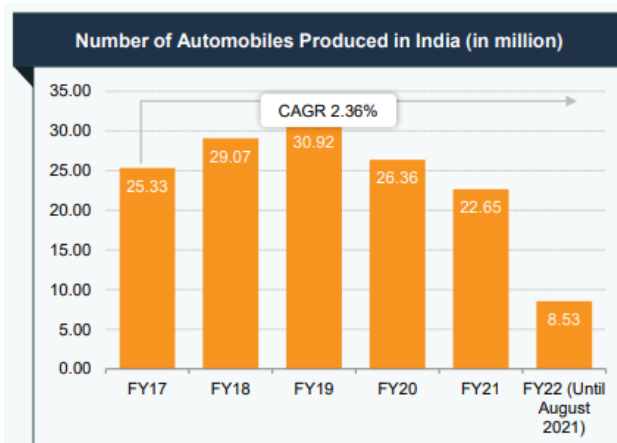
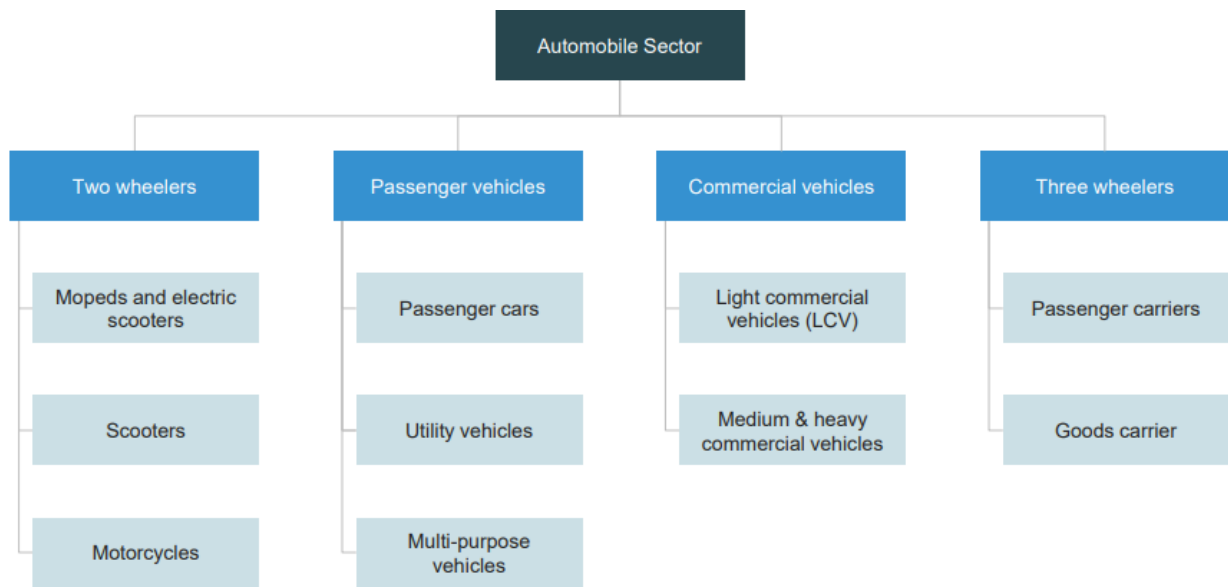
The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides

great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026.

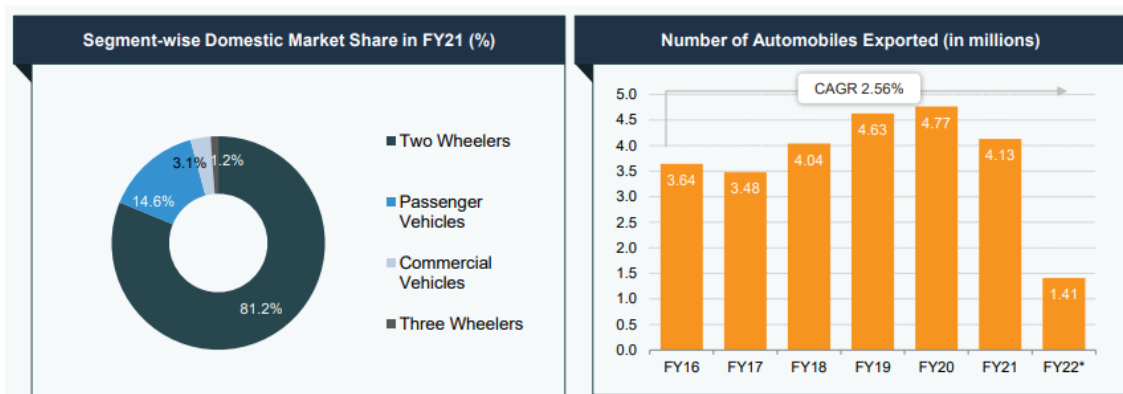
The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effects of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22.

Market Overview



- The automotive manufacturing industry comprises the production of commercial vehicles, passenger cars, three-wheelers and two-wheelers.

- In FY21, domestic automobile sales (passenger, three-wheeler and two-wheeler vehicles) stood at 18.61 million.
- In Q1 FY22, India witnessed a 113% growth in the total domestic sales of vehicles.
- In August 2021, automobiles production (comprising passenger vehicles*, three wheelers, two wheelers and quadricycles) stood at 1,984,676 units.
- The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effects of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22.
- A report by India Energy Storage Alliance estimated that EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for EV battery market is forecast to expand at a CAGR of 30% during the same period.



- Two-wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two-wheelers and passenger cars accounted for 81.2% and 14.6% market shares, respectively, accounting for a combined sale of over 17.8 million vehicles in FY21.
- Indian automobile exports stood at 1,419,430 units from April 2021 to June 2021, compared with 436,500 units from April 2020 to June 2020.

Indian Car Sales Figures - August 2021

OEM	August 2021	August 2020	Growth
Maruti Suzuki	1,03,187	1,13,033	-8.9%
Hyundai	46,866	45,809	2.3%
Tata	28,017	18,583	50.8%
Kia	16,750	10,853	54.3%
Mahindra	15,786	13,407	17.7%

KEY PLAYERS

Passenger Vehicles

- In FY21, passenger vehicles domestic sales stood at 2,711,000 units.
- In August 2021, domestic sales of passenger vehicles stood at 232,224 units.
- Maruti Suzuki's passenger vehicles sales stood at 133,732 units in August 2021.

Commercial Vehicles

- In FY21, commercial vehicles production, domestic sales stood at 448,914 units.
- Tata Motors recorded sales of 29,781 commercial vehicles in August 2021.

Two-wheelers

- Hero MotoCorp and Honda Motorcycle and Scooter India (HMSI) were the top two players in the two wheelers segment, with 32.08% and 25.42% market shares, respectively, in August 2021.
- Hero Motocorp Ltd. recorded sales of 431,137 two wheelers in August 2021.

Three-wheelers

- Bajaj Auto was the leader in the three-wheelers passenger category with 36.2% market share in August 2021, followed by Piaggio Vehicles (12.6%).
- Bajaj Auto's three-wheeler sales stood at 11,006 units in August 2021.

COMPANY PROFILE

Maruti Suzuki India Limited, formerly known as Maruti Udyog Limited, is an automobile manufacturer in India. It is a subsidiary of Japanese automobile and motorcycle manufacturer Suzuki Motor Corporation. As of January 2017, it had a market share of 51% of the Indian passenger car market. Maruti Suzuki manufactures and sells popular cars such as the Ciaz, Ertiga, Alto, Swift, Celerio, Swift Dzire and Omni. The company is headquartered at New Delhi. In February 2012, the company sold its ten millionth vehicle in India.

HISTORY

They started out in 1982 in Gurgaon, Haryana. Little did the then quiet suburb of New Delhi know, that it was going to become the epicenter of the automobile revolution in India. The year marked the birth of the Maruti Suzuki factory. India turned out 40,000 cars every year. The new Maruti Suzuki 800 hit the streets to begin a whole new chapter in the Indian automobile industry.

They set out with an obsession for customer delight, one that was unheard in the corridors of automobile manufacturers then. It was about a commitment to create value through innovation, quality, creativity, partnerships, openness and learning. It created a road that was going to lead the world in to a whole new direction, laid out by Maruti Suzuki.

Today, Maruti Suzuki alone makes 1.5 million family cars every year. That's one car every 12 seconds. We drove up head and shoulders above every major global auto company. Yet, our story was not just about making a mark. It was about revolutionary cars that delivered great performance, efficiency and environment friendliness with low cost of ownership. That's what we call true value. We built our story with a belief in small cars for a big future.

There story encouraged millions of Indians to make driving a way of life. India stepped up with our vision to take on the fast lane. A comradeship had begun. Something incredible had begun.

So, what drives us? Millions of Indians who've put their faith in us. A team of over 13200 dedicated and passionate professionals that turned out 15 car models with over 150 variants. The drive is backed up by a nationwide service network spanning over 1500 cities and towns and a sales network that spreads across 1471 cities, 2 state of art factories, which together turn out 15 lakh cars annually. And a commitment to make Indian roads safer through a network of training infrastructure that imparts driving skills.

Finally, our inspiration comes from one place – India’s hopes, dreams and aspirations. The Maruti Suzuki journey has been nothing less than spectacular. But to be honest, we’ve only just begun.

Board of Directors



Mr. R. C. Bhargava

Chairman

Date of Birth : 30th July 1934

Education: Indian Administrative Services (1st in batch)

Master of Sciences in Mathematics from Allahabad University

Master of Arts in Developmental Economics from Williams College, Williams Town, MA, USA

Professional Experience:

2007 till date: Chairman, Maruti Suzuki India Limited (MSIL), (Formerly Maruti Udyog Limited)

2003 : Director, Maruti Udyog Limited

Other Board Membership:

Dabur India Limited

Global Education Management Systems Private Limited

Grasim Industries Limited

IL&FS Limited

Optimus Global Services Limited

Polaris Software Lab Limited

RCB Consulting Private Limited



Mr. Kenichi Ayukawa

Managing Director & CEO

- A Law graduate from Osaka University, Japan, Mr. Ayukawa joined Suzuki Motor Corporation in 1980.
- Born in 1955, Mr. Ayukawa has handled several key assignments at Suzuki Motor Corporation, Japan and in the Group's overseas operations.
- Mr. Ayukawa served as Managing Director of Pak Suzuki Motor Company from May 2004 to June 2008.
- He served as Director on the Board of Maruti Suzuki India Limited from July 2008 to March 2013.
- Before taking charge as the Managing Director at Maruti Suzuki India Limited he served as Managing Executive Officer and Executive General Manager, Global Marketing at Suzuki Motor Corporation, Japan.



Mr. Toshiaki Hasuike

Director

- A graduate in Mechanical Studies from Faculty of Engineering, MEIJI University, Japan, Mr. Hasuike started his career with Suzuki Motor Corporation in 1980.
- At Suzuki Motor Corporation, he has handled several key assignments in automobile engineering, Design, Product Planning and Quality. Besides his specialisation in body design area, he led new model development projects as Chief Engineer.
- Before joining Maruti Suzuki, Mr. Hasuike worked as Managing Officer & Deputy Executive General Manager in SMC Engineering.
- He brings with him a vast experience of over 32 years in automobile design and engineering.

Other Board Members

Mr. Osamu Suzuki

Director

Mr. Amal Ganguli

Independent Director

Mr. D. S. Brar

Independent Director

Mr. Toshihiro Suzuki

Director

Mr. Kazuhiko Ayabe

Director

Mr. Shigetoshi Torii

Director (Production)

Mr. Kinji Saito

Director

Ms. Pallavi Shroff

Independent Director

Mr. R.P. Singh

Independent Director

AWARDS

2017

- Maruti Suzuki selected Automobile Manufacturer of the Year at BTVi's "The Auto Show - Car India & Bike India Awards 2017".

- Gold Exceed Award 2017 recognizes excellence in Occupational Health and Safety in the automobile sector. Maruti Suzuki was honoured for achieving high standards of safety, health and environment at workplace.
- Maruti Suzuki bags prestigious Golden Peacock Training Award second time in a row!

2016

- Award for winning Customer Satisfaction Index (CSI) for the 16th time in a row
- Maruti Suzuki bags Silver Trophy for Training & Skill Development at ASSOCHAM's summit-cum-awards on Skilling India 2016.
- Maruti Suzuki won BML Munjal Award 2016 in the category of Private Sector (manufacturing).
- SMC Awards 2015 awarded to Maruti Suzuki's SHVS and Baleno Team
- Maruti Suzuki bags Prestigious Golden Peacock Training Award 2016
- Maruti Suzuki have received the eminent Dun & Bradstreet Corporate awards in the Automobiles category
- No.1 in JD Power Customer Satisfaction Index for the 17th time
- Maruti Suzuki was awarded with 'Corporate Excellence-Commendation of Significant Achievement' Certificate at the prestigious CII-ITC Sustainability Award 2016 for its CSR initiatives.

2015

- Maruti Suzuki Alto emerged as 'World's best-selling small car' for 2014
- Maruti Suzuki bagged 'Hall of the Fame' at NDTV Car & Bike Awards, for its consistent performance for last 10 years
- Maruti Suzuki got CSR award for Driving Safety at Autocar India Awards
- Maruti Suzuki and Hero MotoCorp share the trophy for the PCRA Green Award at NDTV Car & Bike Awards
- Maruti Suzuki won the 'Golden Peacock Award' for Corporate Social Responsibility (CSR) in Automobile Sector
- Maruti Suzuki bagged silver trophy for the category 'Best Private Organization Training Program' at ASSOCHAM's Summit-cum-Awards on Skilling India
- Maruti Suzuki grabs 2 awards at IATIA!

- Readers' Choice Technology of the Year Award: Smart Hybrid Vehicle by Suzuki (SHVS)
- Auto Tech Review Environment Technology of the Year Award: Smart Hybrid Vehicle by Suzuki (SHVS)

Products



ALTO 800



Alto K10



WAGONR



CELERIO



SWIFT



SWIFT DECA



DZIRE



ERTIGA



OMNI



EECO



GYPSY



GRAND VITARA



VITARA BREEZA

VARUN MOTORS

Varun Group is a leading Business conglomeration with business spread across Automobile, Auto financing, Construction, Hospitality & Entertainment industries for the past 62 yrs with 62 Showrooms & 72 Service centres across Andhra Pradesh. With an employee base of over 4500, and an annual turnover of over Rs. 1800 Cr. With Automobile sales volume of 90,000 Varun Group has become a household name in Andhra Pradesh.

PROMOTORS OF THE COMPANY



Mr. V Prabhu Kishore
Chairman & Managing Director
Varun Group

Mr. Prabhu Kishore is a visionary, entrepreneur and a successful businessman.

He is the Chairman and Managing Director of Varun Group which is known across Andhra Pradesh through their flagship company, Varun Motors Pvt Ltd

Mr. Prabhu Kishore started his business career at the age of 19 yrs, taking care of his family business of Automobile Dealerships in Vijayawada, M/S. Padmaja Commercial Corporation and soon started his own Business ventures - Lakshmi Finance and Varsha Builders in 1980s. In 1992, through the establishment of Varun Motors in Visakhapatnam he spread his automobile dealership business throughout Andhra Pradesh.

Today, Varun Motors is a household name in Andhra Pradesh, serving millions of customers since its inception, representing automobile brands such as Bajaj Auto, Maruti Suzuki, JCB,

Mahindra Navistar and Bharat Benz. Varun Group, under the leadership of Mr. Prabhu Kishore is fast emerging as the leading automobile business in India.

Mr. Prabhu Kishore, with his wife Mrs. Lakshmi Kishore and son, Mr. Varun Dev and daughter Varsha live in Vizag.



Mrs. Lakshmi Kishore

Mrs. Lakshmi Kishore hails from a business family in Vijayawada, Andhra Pradesh.

Educated with a degree in English Literature, she has been a pillar of support to the Varun Group.

Balancing the family responsibility with hands on approach to various aspects of the Group business, Mrs. Lakshmi Kishore is a business woman par excellence.



Mr. Varun Dev

Mr. Varun Dev, holds a Masters degree in Engineering from Warwick University in UK and has worked with Suzuki in Hungary.

He joined the family business in 2007 and is currently taking care of the automobile business of JCB, Mahindra and Daimler dealerships of the Group.

Business Verticals of the Group

Automobile

- Established in 1950s.
- 20% Year on year growth for the last 7 years.
- One of the largest Automobile dealers in the country.
- Rs. 1500 cr annual turnover.

Auto-Financing

- Established in 1980s.
- 40% YOY growth in the last 5 years.
- Business penetration in to the remote corners of AP.
- Rs. 100 annual disbursement.

Infrastructure

- Established in 1980s.
- Built over 1.3 million SFT in the last 5 years.
- Backward integration to meet infrastructure needs of Group's automobile dealerships.

Hospitality & Entertainment

- Established in 1980s.
- Built First 5-star hotel - Novotel Varun Beach in Vizag, which was awarded as THE BEST 5-STAR HOTEL PROJECT - PAN INDIA (2011) - by Zee Business & RICS.
- Opened First 6-screen multiplex in Vizag.

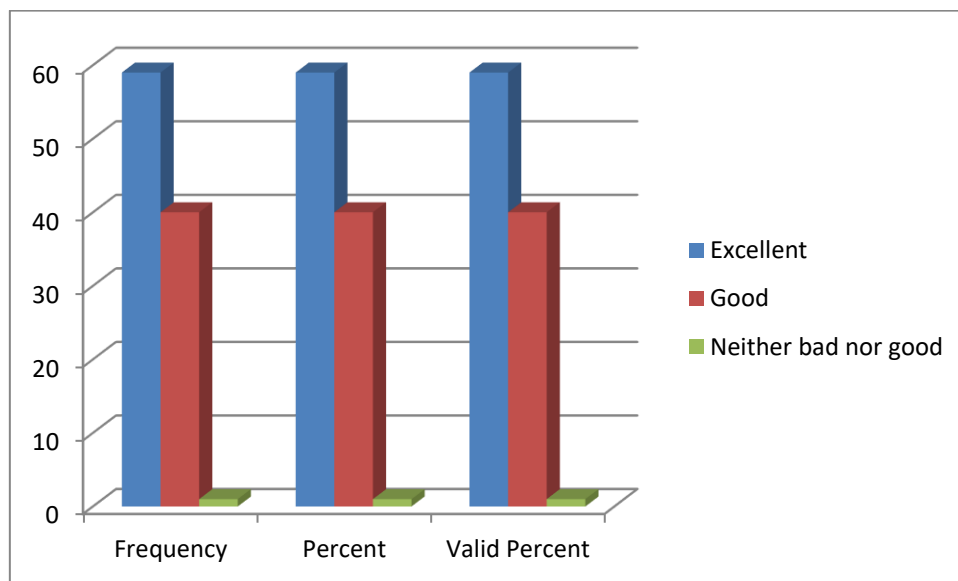
CHAPTER-IV
DATA ANALYSIS
AND
INTERPRETATION

1. What is your opinion about Maruti Car?

Table no. 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	59	59	59	59
	Good	40	40	40	99
	Neither bad nor good	1	1	1	100
	Total	100	100	100	

Graph no. 1



INTERPRETATION

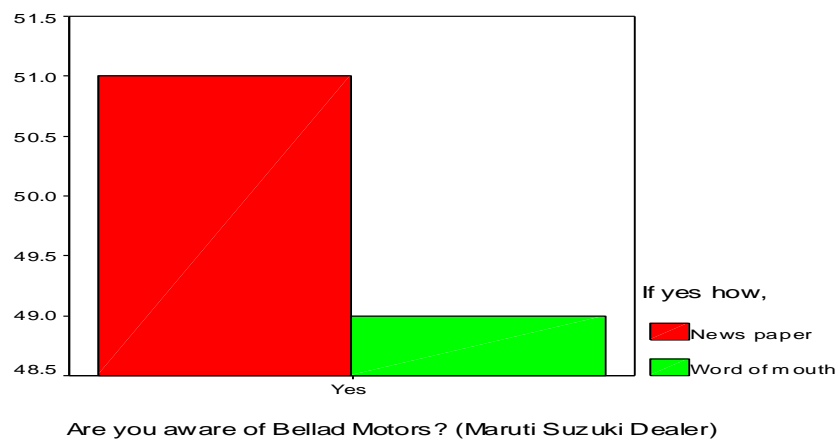
From the above graph we can see that, in the total sample size of 100, 59% of the respondents are placed their opinion about Maruti car as excellent and 40% of them placed good, 1% of the respondents placed as neither bad not good.

2. Are you aware of Varun Motors? (Maruti Suzuki Dealer) * If yes how, Cross tabulation Count

Table no. 2

		If yes how,		Total
		News paper	Word of mouth	
Are you aware of Mithra? (Maruti Suzuki Dealer)	Yes	51	49	100
Total		51	49	100

Graph no.2



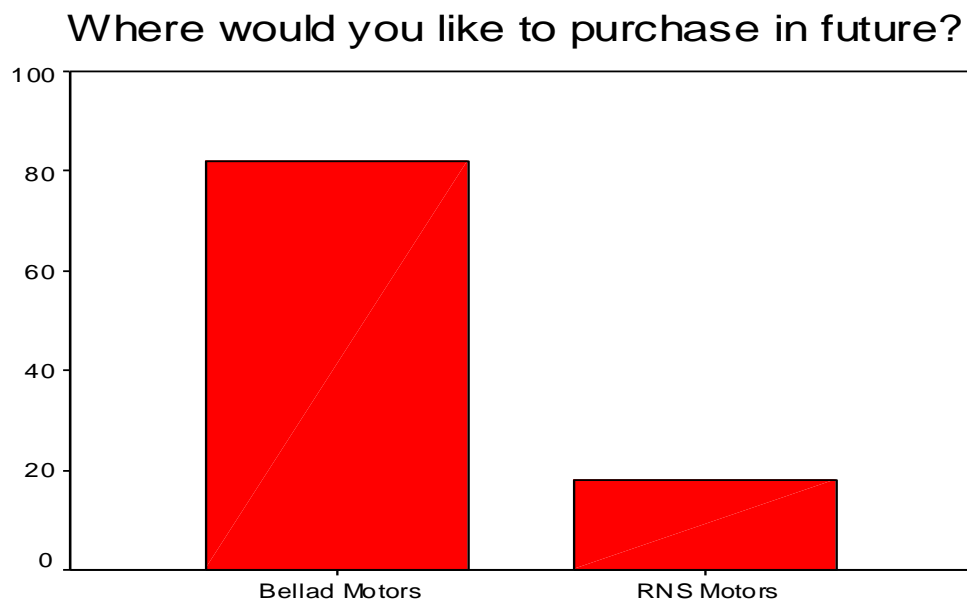
INTERPRETATION

From the above graph we can see that, in the total sample size of 100,51% of the respondents are aware about Varun Motors through newspaper advertisement and 49% of respondents are through word of mouth. Most of respondents are aware of Varun Motors through news paper advertisement so enhance advertisements in dailies.

3. Where would you like to purchase in future?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VARUN Motors	82	82.0	82.0	82.0
	Mithra	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

Table no.3



Where would you like to purchase in future?

INTERPRETATION

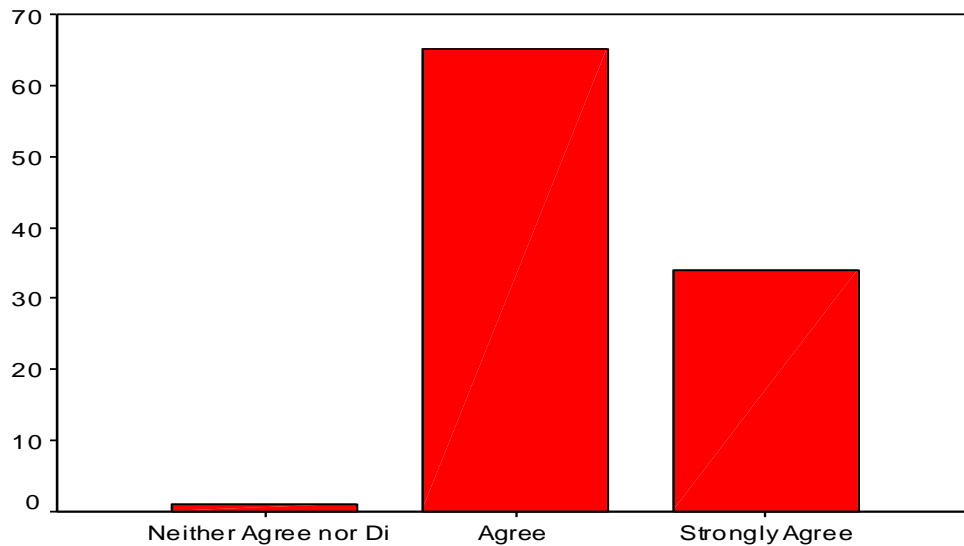
From the above graph we can see that, in the total sample size of 100, 82% of the respondents would like to purchase car in future at Varun Motors, 18% of the respondents wants to purchase at Mithra. 18% of the respondents are not satisfied with Varun performance. Hence concentrate towards existing customers to satisfy their requirements properly.

4. Showroom is situated in convenient place.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neither Agree nor Disagree	1	1	1	1
	Agree	65	65	65	66
	Strongly Agree	34	34	34	100
	Total	100	100	100	

Table no.4

Showroom is situated in convenient place.



Showroom is situated in convenient place.

INTERPRETATION

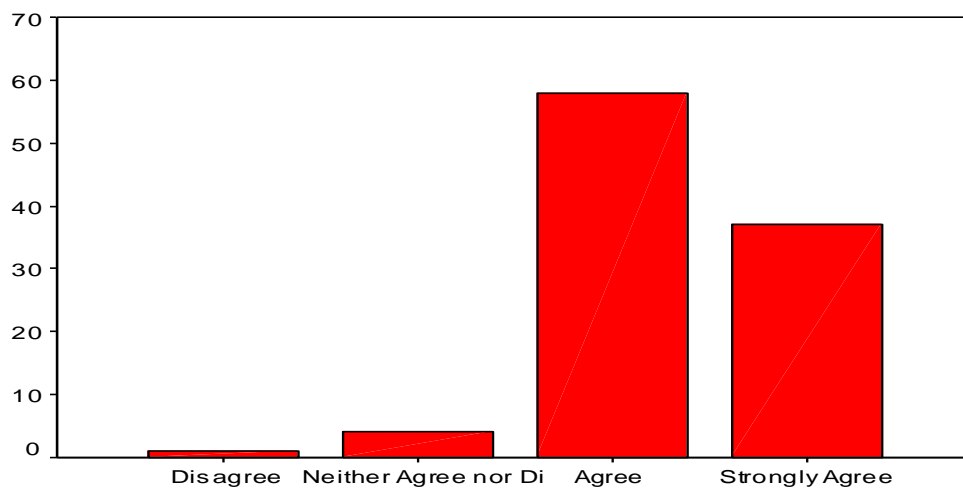
From the above graph we can see that, in the total sample size of 100, 65% of the respondents are agreed that show room situated in convenient place, 34% of the respondents are strongly agreed and 1% of them neither agreed nor disagree.

5) Parking place is very comfortable.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1	1	1
	Neither Agree nor Disagree	4	4	4	5
	Agree	58	58	58	63
	Strongly Agree	37	37	37	100
	Total	100	100	100	

Table no.5

Parking place is very comfortable.



Parking place is very comfortable.

INTERPRETATION

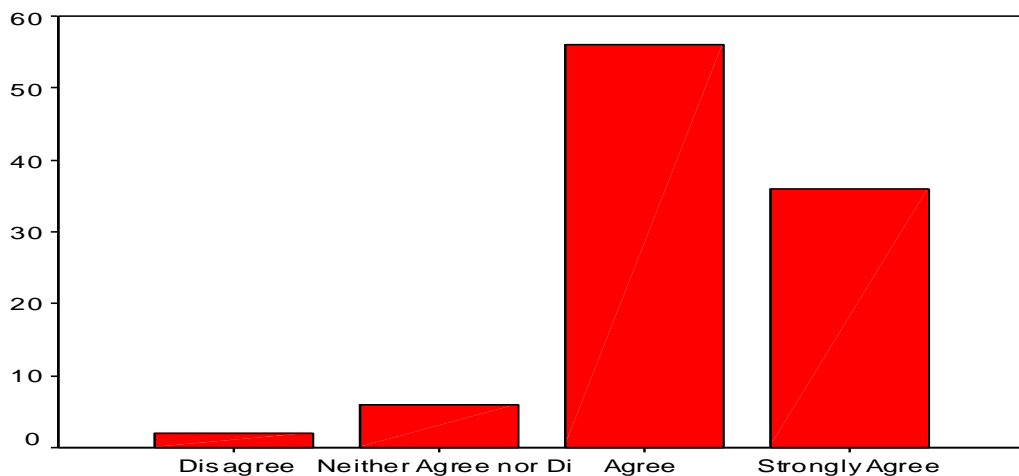
From the above graph we can see that, in the total sample size of 100,58% of the respondents are agreed that parking place is very comfortable, 37% of the respondents are strongly agreed and 4% of them neither agreed nor disagree.

6) Sales executives of Varun Motors are very co-operative & helpful.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.0	2.0	2.0
	Neither Agree nor Disagree	6	6.0	6.0	8.0
	Agree	56	56.0	56.0	64.0
	Strongly Agree	36	36.0	36.0	100.0
	Total	100	100.0	100.0	

Table no.6

Sales executives of Bellad Motors are very co-



Sales executives of Bellad Motors are very co-operative & helpful.

INTERPRETATION

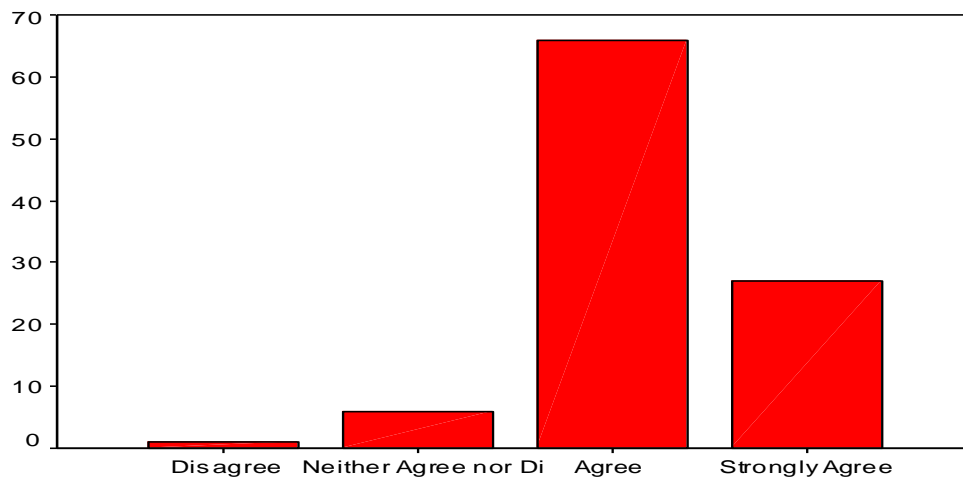
From the above graph we can see that, in the total sample size of 100,58% of the respondents are agreed that Varun Motors sales executives are very co-operative & helpful, 36% of the respondents are strongly agreed and 6% of them neither agreed nor disagree and 2% of them disagree.

7) Finance assistance of Varun Motors is very effective.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1	1	1
	Neither Agree nor Disagree	6	6	6	7
	Agree	66	66	66	73
	Strongly Agree	27	27	27	100
	Total	100	100	100	

Table no.7

Finance assistance of Bellad Motors is very eff



Finance assistance of Bellad Motors is very effective.

INTERPRETATION

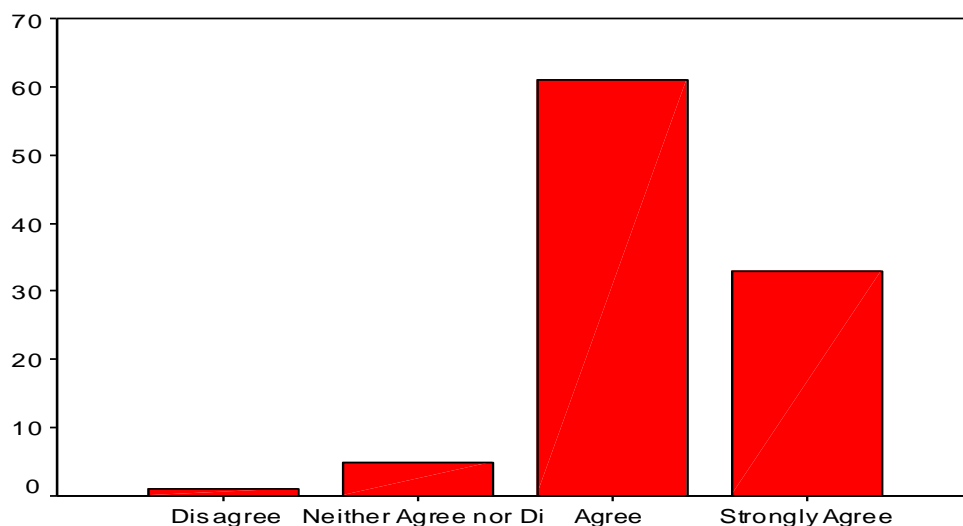
From the above graph we can see that, in the total sample size of 100,66% of the respondents are agreed that finance assistance at Varun Motors is very good, 27% of the respondents are strongly agreed and 6% of them neither agreed nor disagree and 1% of them disagree.

8) Pre-delivery check up at Varun Motors is very goods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neither Agree nor Disagree	5	5.0	5.0	6.0
	Agree	61	61.0	61.0	67.0
	Strongly Agree	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

Table no.8

Pre-delivery check up at Bellad Motors is very goods



Pre-delivery check up at Bellad Motors is very goods

INTERPRETATION

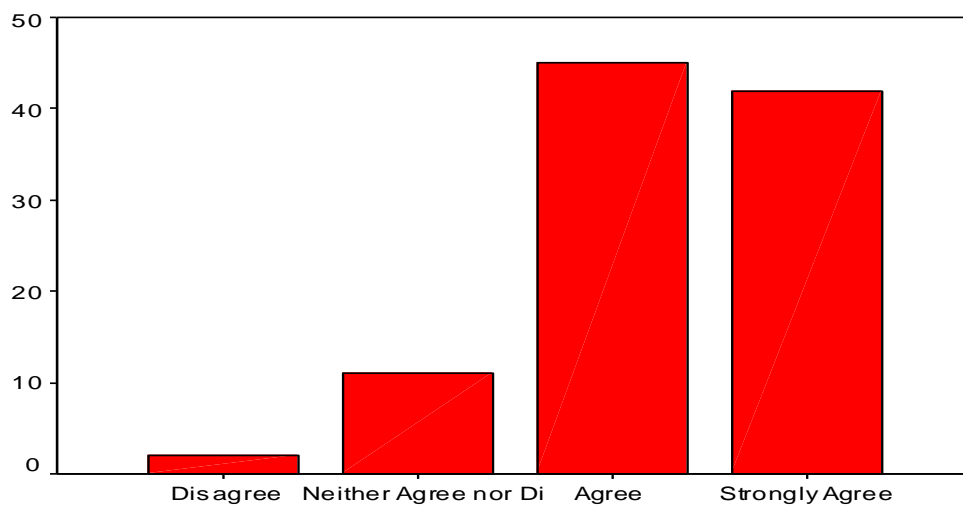
From the above graph we can see that, in the total sample size of 100,61% of the respondents are agreed that pre-delivery check up at Varun is very good, 33% of the respondents are strongly agreed and 5% of them neither agreed nor disagree and 1% of them disagree.

9) Timely delivery at Varun is very effective.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.0	2.0	2.0
	Neither Agree nor Disagree	11	11.0	11.0	13.0
	Agree	45	45.0	45.0	58.0
	Strongly Agree	42	42.0	42.0	100.0
	Total	100	100.0	100.0	

Table no.9

Timely dellivery at Bellad Motors is very effectiv



Timely dellivery at Bellad Motors is very effective.

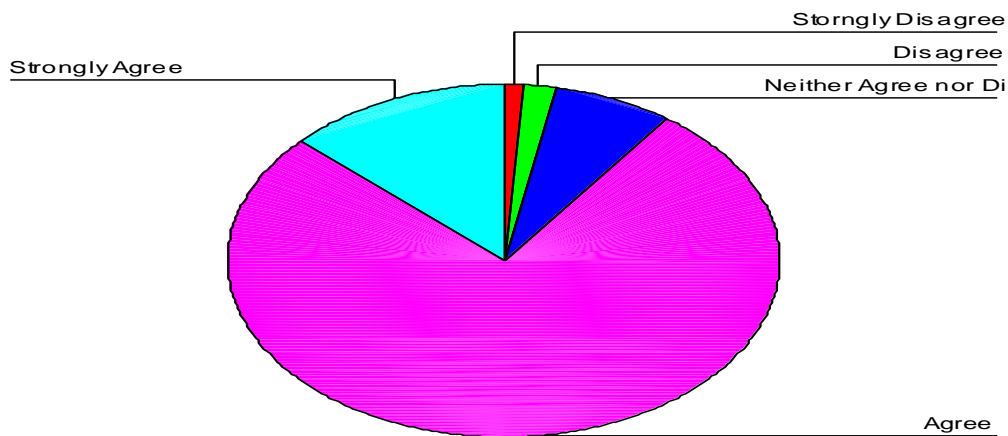
INTERPRETATION

From the above graph we can see that, in the total sample size of 100,45% of the respondents are agreed that timely delivery is very effective at Varun, 11% of the respondents are strongly agreed and 11% of them neither agreed nor disagree and 2% of them disagree

10. After sales service at Varun is very effective.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1	1	1
	Disagree	2	2	2	3
	Neither Agree nor Disagree	7	7	7	10
	Agree	77	77	77	87
	Strongly Agree	13	13	13	100
	Total	100	100	100	

After sales service at Bellad Motors is very effective.



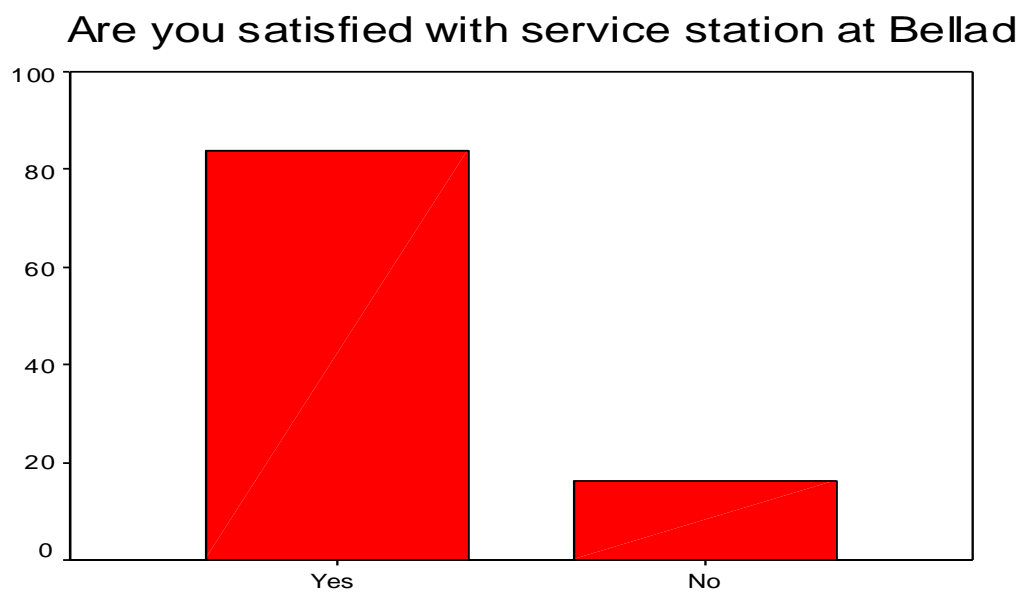
INTERPRETATION

From the above graph we can see that, in the total sample size of 100, 77% of the respondents are agreed that after sales service at Varun is very effective, 13% of the respondents are strongly agreed and 7% of them neither agreed nor disagree, 2% of them disagree and 1% of them strongly disagree.

11. Are you satisfied with service station at Varun Motors.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	84	84.0	84.0	84.0
	No	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

Table no.10



Are you satisfied with service station at Bellad Motors.

INTERPRETATION

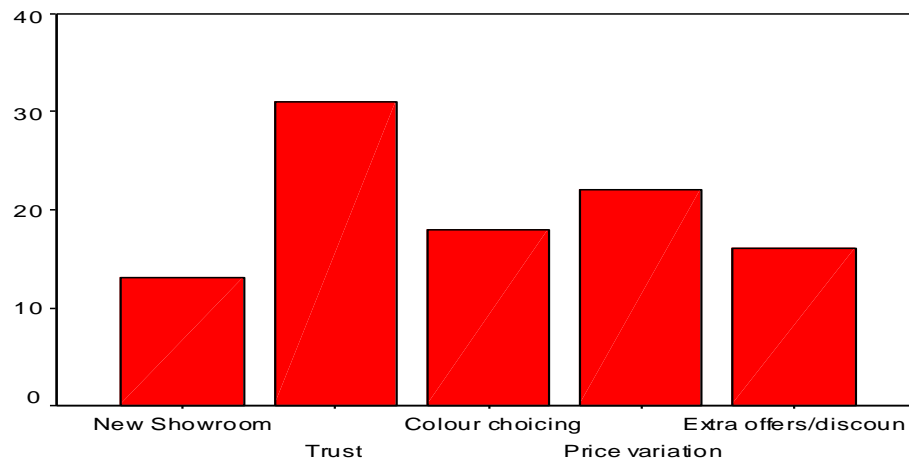
From the above graph we can see that, in the total sample size of 100, 84% of the respondents are satisfied with service station and 16% of the respondents are not satisfied. Still there is scope to improve the service station to satisfy the unsatisfied customers.

12. Could you tell the reason why you purchased car at Varun Motors.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	New Showroom	13	13	13	13
	Trust	31	31	31	44
	Colour choicing	18	18	18	62
	Price variation	22	22	22	84
	Extra offers/discounts	16	16	16	100
	Total	100	100	100	

Table no.11

Could you tell the reason why you purchased car



Could you tell the reason why you purchased car at Bellad Motors.

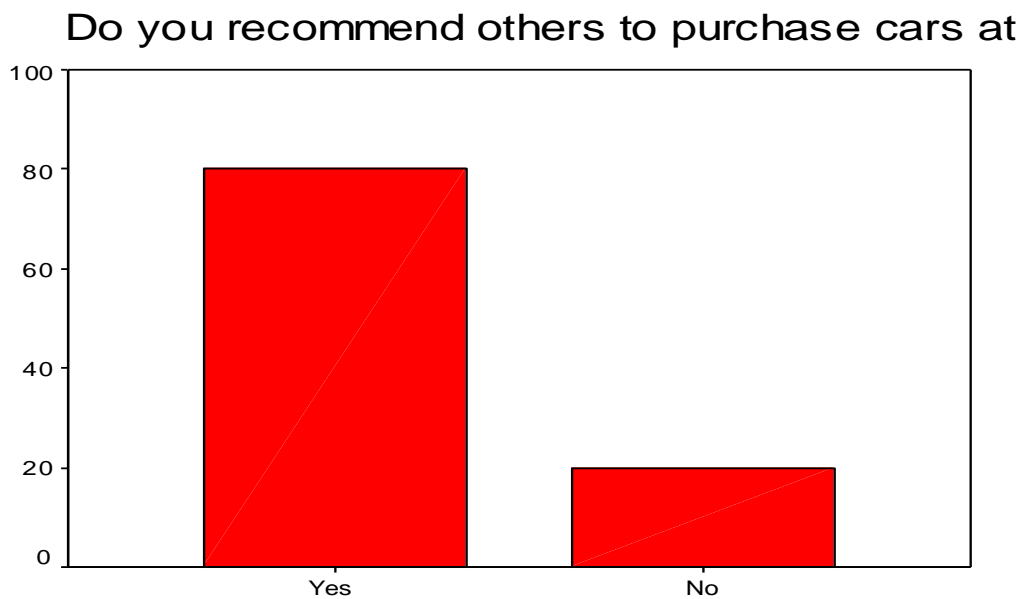
INTERPRETATION

From the above graph we can see that, in the total sample size of 100, 31% of the respondents are purchased car at Varun Motors due to trust, 22% of them purchased due to price variation in dealers, 18% of them purchased due to colour choicing, 16% of the respondents are purchased due to extra offers/discounts and 13% of them purchased due to new showroom.

13. Do you recommend others to purchase cars at Varun Motors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	80	80.0	80.0	80.0
	No	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Table no.12



Do you recommend others to purchase cars at Bellad Motors?

INTERPRETATION

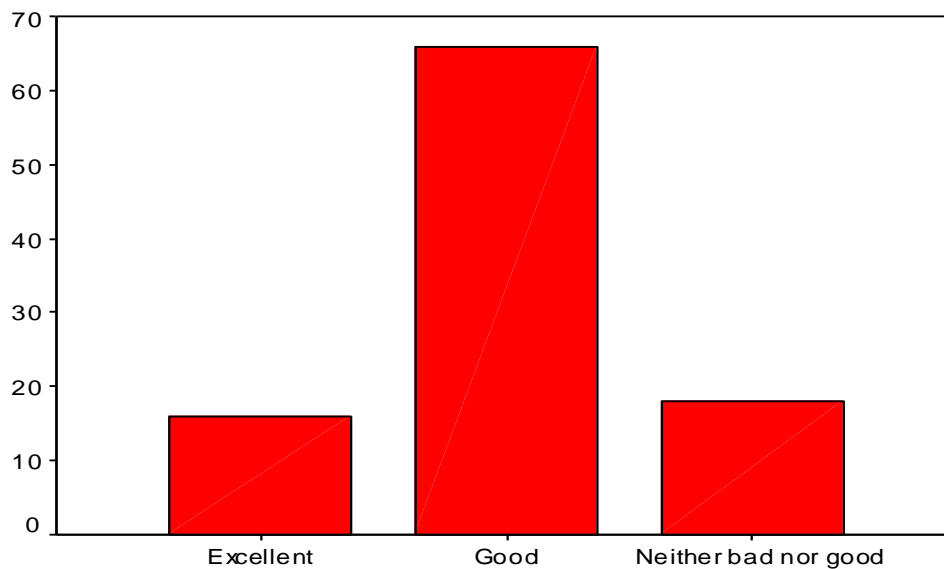
From the above graph we can see that, in the total sample size of 100, 80% of the respondents are ready to recommend to others to purchase car at Varun Motors and 20% of them do not recommend. Most of the customers are satisfied with performance of Varun hence they are ready to recommend to purchase the Maruti Cars at Varun Motors.

14. How do you rate overall performance of Varun Motors.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	16	16.0	16.0	16.0
	Good	66	66.0	66.0	82.0
	Neither bad nor good	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

Table no.13

How do you rate overall performance of Bellad Motors.



How do you rate overall performance of Bellad Motors.

INTERPRETATION

From the above graph we can see that, in the total sample size of 100, 66% of the respondents are rated overall performance of Varun as good, 18% of them neither bad nor good and 16% of them placed excellent. Still there is lot of scope to reach the excellent stage.

CHAPTER V
FINDINGS
SUGGESTIONS
CONCLUSION

FINDINGS

1. 59% of the respondents are placed their opinion about Maruti car as excellent.
2. 51% of the respondents are aware about Varun Motors through newspaper advertisement and 49% of respondents are through word of mouth.
3. 18% of the respondents are not satisfied with Varun performance.
4. 11% of the respondents are rated the timely delivery as neither agree nor disagree and 2% of them are disagree.
5. 84% of the respondents are satisfied with service station and 16% of the respondents are not satisfied.
6. 31% of the respondents are purchased car at Varun due to trust, 22% of them purchased due to price variation in dealers, 18% of them purchased due to colour choicing, 16% of the respondents are purchased due to extra offers/discounts and 13% of them purchased due to new showroom.
7. 80% of the respondents are ready to recommend to others to purchase car at Varun and 20% of them do not recommend.
8. 66% of the respondents are rated overall performance of Varun as good, 18% of them neither bad nor good and 16% of them placed excellent.

SUGGESTIONS

1. Newspaper advertisements is very effective so enhance news paper advertisements and provide good service for existing customers which can help to increase positive word of mouth.
2. Delivery of car should be made at promised time.
3. In service station recruit the well experienced staff which will increase efficiency and performance of staff and improve the quality of service.
4. Most influential factors are trust, color choosing, extra offers and discounts and price variations between the dealers. Hence allow cash discounts on cash payments and provide offers in the form of 1 year free insurance, free accessories, increased number of free services, and technical support & guidelines.
5. Provide all committed offers at the time of delivery of the car, which can reduce the cognitive dissonance of the customer.
6. Instead of spending heavily for prospective customers, satisfy the existing customers which will increase positive word of mouth, and enhance the sales by their recommendations.
7. To reach the excellent stage of performance it has to overcome from commitment problem, service station problem, quality spares and accessories and should recruit the experienced service staff.

CONCLUSION

Winning the hearts and minds of today's sophisticated vehicle buyers will require collaboration, commitment and communication on the part of both manufacturers and dealers.

This study provides an overview of consumers' automotive buying behaviour—how they shop, why they buy, what keeps them coming back. The findings make it clear that automotive manufacturers and dealers must focus on better collaboration, stronger commitment to developing a long-term relationship with the customer, and increased communication throughout the vehicle lifecycle if they hope to improve customer loyalty as well as business performance.

SUMMARY

Key behaviour change principles

Just providing information has a limited effect on behaviour. There is no clear casual relationship between providing information and changing behaviour.

- a. Learn about your customer or audience. What do they know? Care about? Think about? Who influence them?
 - b. Address the barriers to changing behaviour. Barriers may be external (it costs too much, technology isn't available, laws are conflicting) or personal (the person doesn't know what to do, doesn't consider it a priority, thinks it's too hard).
 1. Getting involved is the first step to making a commitment, and making a commitment makes people more people more likely to act. Small commitments lead to big ones. Start by getting the shop owner involved in a visit. Then ask them to sign a form stating changes they will make.
 2. Feedback and follow-up are important. Feedback gives people cues about the impacts of their behaviour changes. Additional contacts are also very important in motivating people to stick with a task.
 3. People will listen first to their friends or relatives, or others they see as credible. What they hear at a dinner party will have more weight than a comprehensive data summary.
 4. Change agents and role models are important. A few people in a group will typically adopt innovative ideas and behaviors first, and spread them through the group. Find these people and help them successfully adopt a new behaviour.
 5. Changing attitudes may not change behaviour. There is no strong, direct or consistent relationship between attitudes and subsequent action.
1. Incentive may help change short-term. But when the reward is removed, they generally revert to their original behaviour.
 2. If you need to provide information, present it effectively. People are more likely to pay attention to information that is:
 - a. **Vivid:** Use language that conjures up a vivid and memorable image, or provide a demonstration that will stick in someone's mind.
 - b. **Personal:** Make statistical data personally relevant. Talk about personal consequences or refer to a group with which the person identifies.

- c. **Specific and concrete:** Tell them how to do the behaviour you want them to do.
- d. **Stated in terms of loss rather than gain:** Focus on showing people or business's how much they are losing every month or year by not doing a specific behaviour.
- e. **Told as a story:** Use success stories as a motivating example.
- f. **Emotional:** People tend to be persuaded more by emotional messages than logical ones.

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3. www.google.com
4. www.ibef.com
5. www.wikipedia.com

QUESTIONNAIRE

Dear sir/madam,

1. What is your opinion about Maruti Car ?

Excellent	Good	Neither bad nor good	Bad	Very bad
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Name the Maruti Dealers in Hyderabad.

3. Are you aware of Varun Motors ? (Maruti Suzuki Dealer)

Yes No

If yes how, News paper

Cable Advertisement

Word of mouth

Others , please specify

4. Where would you like to purchase in future ?

Mithra VARUN Motors

5. Rate the following at Varun Motors.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

6) Showroom is situated in convenient place.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

7) Parking place is very comfortable.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

8) Sales executives of Varun Motors are very co-operative & helpful.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

9) Finance assistance of Varun Motors is very effective.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

10) Pre-delivery check up at Varun Motors is very good.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

11) Timely delivery at Varun Motors is very effective.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

12) After sales service at Varun Motors is very effective.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

13. Could you tell the reason why you purchased car at Varun Motors.

New Showroom Trust colour choicing

Price variation Extra offers/ discounts

14. What other services would you like to expect at Varun Motors.

NAME: _____

ADDRESS: _____

MARUTI CAR: _____ **MODEL:** _____

DATE OF PURCHASE: _____

THANKING YOU

QUESTIONNAIRE

Dear sir/madam,

1. What is your opinion about Maruti Car ?

Excellent	Good	Neither bad nor good	Bad	Very bad
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Name the Maruti Dealers in Hyderabad.

3. Are you aware of Varun Motors ? (Maruti Suzuki Dealer)

Yes No

If yes how, News paper

Cable Advertisement

Word of mouth

Others , please specify

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New Showroom Trust colour choicing

Price variation Extra offers/ discounts

14. What other services would you like to expect at Varun Motors.

NAME: _____

ADDRESS: _____

MARUTI CAR: _____ MODEL: _____

DATE OF PURCHASE: _____

THANKING YOU