

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

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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.

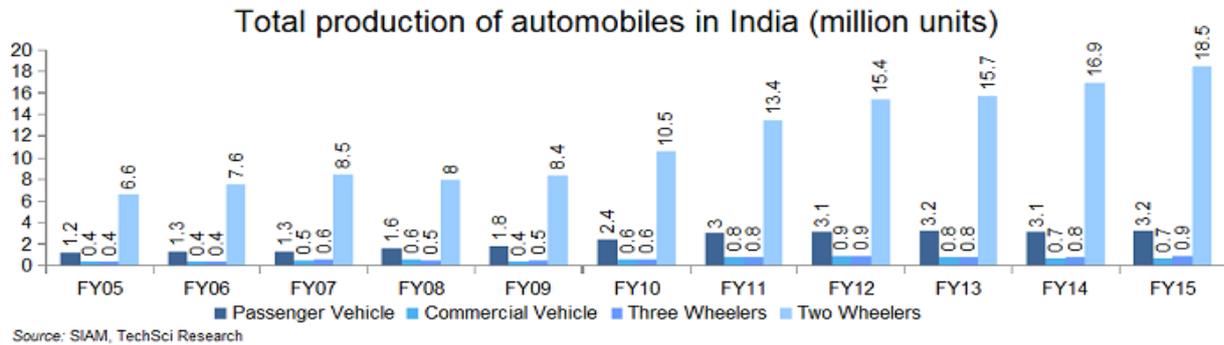
Key Words: Passenger Car Industry , Sales schemes, sales promotional tools, Hadoti region,Buyers`s behavior , Buyers` decision making.

I. INTRODUCTION

The Indian automobile industry showed its apparent presence in 1948,when India has 3 major car manufacturers i.e Premier Automobiles in Mumbai, Hindustan Motors in Kolkata and Standard Motors Products India in Chennai.Due to negligible competition that time, price was immensely high and still buyer was supposed to wait for long to get the delivery.

In early years the Indian automobile Industry faced several challenges and road blocks to growth because in those days automobile manufacturing was subject to restrictive tariff structure, strict licensing and limited avenues for expansion.

But there has been certainly a huge growth after 1983, when Maruti and Japanese company Suzuki jointly introduced Maruti 800 car in India. Ever since driving a car has never been merely a dream for a common man due to the robust growth in his income level and easy credit availability.



The Indian auto industry is the largest in the world and carries around 7.1 percentage of GDP. The overall Passenger Vehicle (PV) segment has 13 per cent market share. India is also a main auto exporter and has a great future in same. In April-January 2016, exports of Commercial Vehicles registered a growth of 18.36 per cent over April-January 2015. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the Two Wheeler (2W) and Four Wheeler (4W) market in the world by 2020.

Growth in sales of passenger vehicles in India was the fastest among the eight largest auto markets in the world in the first 11 months of 2015 as vehicle purchases slowed in China and declined in Japan and the US.

At 7.64% growth over the previous year, India led the top eight markets as the country's economy bottomed out and public investment improved market conditions for domestic auto firms during 2015.

The pace of growth made India the world's fifth largest passenger vehicle market by volume, surpassing Brazil where sales declined the most. China continues to be the world's biggest auto market by volume.

Growth in India was fuelled by positive customer sentiment in cities, gradual uptick in the economy and hope that the economy will do much better in the coming quarters.

II.OBJECTIVES OF THE PAPER

- 1.To assess the sales promotional tools used by passenger car dealers in Hadoti region.
2. To analyze the impact of such tools on Buyers` behavior and their decision.

III.PASSENGER CAR DEALERS IN HADOTI REGION:

Kota,Baran,Bundi,Jhalawar	
Bhatia & Company	MARUTI
Jain Auto Wheels	MAHINDRA & MAHINDRA
Autocam Honda	Honda
Kota Hyundai	Hyundai

K S FORD	FORD
Triumph Motors	CHEVROLET

IV SALES PROMOTIONAL TOOLS USED BY PASSENGER CAR DEALERS IN HADOTI REGION

1.Coupons: A coupon is a certificate entitling the bearer to a stated saving on the purchase of a specific product: mailed, enclosed in other products or attached to them, or inserted in magazine and newspaper ads (Price 1999) Coupon is one of the oldest, most effective and most widely used promotional tools to drive sales (George Edward Belch, George Eugene Belch, & Belch, 1994).

The dealers usually print such coupons and distribute either directly to the buyers or through use of intermediaries such as retailers or wholesalers. Coupons with the product or service are primarily a generator of repeat purchase and a reward for loyalty. Coupon promotion only allows customers to receive certain benefits as stated and only coupon holder can receive the benefit. Coupons can be distributed mainly in 4 ways, (i) through direct mail sent to the buyers, (ii) through retail distribution where coupons are distributed directly to buyers at the point of sale, (iii) through coupons insertion in newspaper ads or magazine cut outs, (iv) coupons that are printed in the packaging of a product (Blattberg & Neslin, 1990).

2.Price Discounts: In almost every market around the globe price still means the point at which buyer and seller are finally in agreement. Manufacturer, retailers in present day business often create non-price points of difference such as product quality, brand image, packaging and service against their competitors

These automobile dealers admitted that this particular promotional tools is still one of the most effective promotional tools when buyers is considering 2-3 brands only.In that case chances are high that he can choose the comparatively cheaper car without compromising the quality.

3.Point of sale display and Sales promotion : Point of sale display is a way of showing product and offerings through in store display such as menu boards, POPs and brochures. (Gedenk et al., 2006) argue that retailer promotions address customers at point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place and time where most of the purchasing decision is made.

According to these dealers, when a buyer passes by a showroom ,his attention can be dragged with the help of car display and others.And once he visits the showroom he can be influenced with brochures and other details of the product.

4.Premium and Sales promotion: A premium is a product or service offered at a relatively low price in return for the purchase of one or many products or services (d' Astous & Jacob,2000).

Though dealers in this region do not find this promotion tool very effective as when a gift is given with a product,buyers generally do not perceive it as effective as price discount.

5.Free samples and sales promotion: Free samples refer to offering of products or service customers without charging any cost in the hope that customers will buy the product. A free sample offers the customer a chance to use the product by providing a free small portion of the product to test.(Blattberg & Neslin, 1990).

Dealers in Hadoti region find this promotional tool really effective and almost every dealer uses this tool. According to them when a buyer is confused among few cars from different companies the best way for him to have the clear decision is to have a test drive of a car. After that the whole process becomes hassle free.

V IMPACT OF SALES PROMOTION ON BUYERS' BEHAVIOR

Result of sales promotion can either be long term or short term effects and it could also influence the store choice, category choice, consumption rate, stockpiling and even new product trial of buyers. Short term effects occur during the time of promotion and long term effects, which involves behavior after the promotion has taken place. (Gedenk et al., 2006).

Sales may increase during promotion as it can attract customers from other stores and it may induce them to switch brands and influence them to buy from the promoted category rather than another category, it can also induce customer who do not use the product to buy the product because of the promotion. There have been numerous studies in the past that measured the effectiveness of sales promotion. For instance (Ndubisi & M, 2005) claimed that sales promotion not only increases brand awareness but also encourage customer to buy new product. (Shimp, 2003), (Fill, 2002) documented a link between price promotion and product trial.

Despite these benefits, the question remains whether these effects are made at the expense of the long term impact that sales promotion may have on companies. (Sawyer & Dickson, 1984), (Simonson & Carmon, 1994) proved that there is evidence pointing towards sales promotion having a negative effect on brands, especially in relation to advertising. It is argued that sales promotion does not have any brand-building impact and could lead to diminishing effects for the brand, particularly well-established ones.

There are numerous benefits of sales promotion to the buyers (Chandon et al., 2000), provide six major benefits to the buyer mainly monetary savings, quality, convenience, value expression, exploration and entertainment. Firstly, most of the sales promotion results in the monetary savings for the customer as the products or service are offered at discounted price. As a result the unaffordable products suddenly become more affordable and it adds value to the customers. Sales promotion can be considered as a great tool for growing the sales in short period of time (Alvarez & Cavanagh, 2005).

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International Conference on Innovative Research in Science, Technology and Management

Modi Institute of Management & Technology, Dadabari, Kota, Rajasthan

(ICIRSTM-17)

22nd-23rd January 2017 , www.conferenceworld.in

ISBN: 978-93-86171-20-7

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