

Chapter- 1
(Introduction, Needs, Objectives, Scope and
Limitations)

1.1: Introduction of the Study:

This project was under taken into account as a curriculum of our studies. In this study, prominence was laid on sales promotion activities of TI Ford Motors Pvt. Ltd.

The promotional activities play a vital role in sales of the product of TI Ford Motors. The promotional activities are a research technique used to gather consumer preferences and purchase intent of a company's products and services within a geographical area. Promotional techniques are extremely important because companies learn what their customers like and dislike about their products and services. Primary research involves collecting original data about the preferences, buying habits, opinions, and attitudes of current or prospective customers. This data can be gathered in focus groups, surveys, and field tests. Secondary research is based on existing data from reference books, magazines and newspapers, industry publications, chambers of commerce, government agencies, or trade associations. It yields information about industry sales trends and growth rates, demographic profiles, and regional business statistics.

A sales promotion strategy is an activity that is designed to help boost the sales of a product or service. This can be done through an advertising campaign, public relation activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, through prize giving competitions, through temporary price cuts, and through door-to-door sales, telemarketing, personal sales letters, and emails. The importance of a sales promotion strategy cannot be underestimated. This is because a sales promotion strategy is important to a business boosting its sales.

When developing a sales promotion strategy for your business, it is important that you keep the following points in mind:

1. Consumer attitudes and buying patterns.
2. Your brand strategy.
3. Your competitive strategy.
4. Your advertising strategy.
5. And other external factor that can influence your products availability and pricing.

In this project, primary data was collected via distributing questionnaire among 50 employees of TI Ford Motors and as per there answers the data has been analysed. The secondary data needed that needed for the study was taken from websites, books, magazines, etc.

The study helped to find the drawbacks of the organisation occurred by them. The concern should focus on some of its promotional activities. The promotional activities should be able to give a tough competition to the other motor companies.

The study is to analysed the sales promotion activities of TI Ford Motors Pvt. Ltd., Bharalumukh and measure taken to improve them. Sales promotion is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones of TI Ford Motors.

During the study period, some problems occurred which I was able to overcome and the all the limitations are been provider hereunder.

Sales promotion:

Sales promotion is one of the elements of the promotional mix. (The primary elements in the promotional mix are advertising, personal selling, direct marketing and publicity/public relations). Sales promotion uses both media and non-media marketing communications for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates.

Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions.

Sales promotion represents a variety of techniques used to stimulate the purchase of a product or brand. Sales promotion has a tactical, rather than strategic role in marketing communications and brand strategy. Researchers Farhangmehr and Brito, reviewed the definitions of sales promotions in marketing texts and journals and identified a set of common characteristics of sales promotion, including:

- Short-term effects and duration;
- Operates and influences only the last phase of the purchase process;
- Exhibits a secondary role in relation to other forms of marketing communication;
- Performs an accessory role regarding the products core benefits;
- Is not a single technique, rather it is a set of techniques used for a specific purpose?

‘Philip Kotler’ and ‘Robert C. & Scott A.’ has defined sales promotion as:

Philip Kotler: “Those marketing activities other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as display, shows, demonstrations, expositions, and various other non-current selling efforts, not in ordinary routine.”

Robert C. and Scott A.: “Sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular products/services by consumers or traders.”

Characteristics:

Special characteristics of sales promotion are listed below:

- It is a part of market promotion. It involves all the promotional efforts other than advertising, personal selling, and publicity.
- The primary purpose is to induce customer for immediate buying or dealer effectiveness or both.
- It is optional. Many companies do not practice it.
- It is directed for multiple objectives, like to maintain sales during off season, to increase sales, to face competition, to clear stocks, to improve image, to promote new products, etc.
- It consists of offering, wide variety of tools/incentives.
- Sales promotion efforts consist of special selling efforts for the specific time period in forms of short-term incentives and schemes undertaken at consumer level, dealer level or at salesmen level.
- It involves the non-recurrent selling efforts. They are not a part of daily activities. They are not undertaken repeatedly.

- Sales promotion incentives are imitative. Competitors can easily imitate them.
- Sales promotion is expensive. It may affect adversely the profitability of company.
- Excessive use of sale promotion may affect sales and reputation of company adversely.
- It supports personal selling and advertising efforts. It is like a bridge between advertising and personal selling. It can increase effectiveness of other promotional efforts.
- It includes impersonal incentives. They are offered openly to all.

Objectives:

The basic objective of sales promotion is to maintain, increase, or regulate sales. There may be some other related objectives to carry out sales promotional efforts. In nutshell, it can be said that sales promotion is aimed at satisfying customers, encouraging salesmen and middlemen, and achieving sales targets. Objectives can be enlisted under:

- To introduce new products.
- To keep consumers satisfied.
- To attract new customers.
- To clear stocks of products. To sell out old stocks rapidly.
- To induce consumers to try and buy certain products
- To induce present customers to buy more quantity and/or times.
- To strengthen competitive position.
- To offset price competition.
- To speed up sales of slow-moving products.
- To induce consumers to switch from competitors' brands.
- To maintain or increase sales during off-seasons.
- To inspires middlemen to keep more inventories/stocks.
- To encourage middlemen to put more efforts in attracting customers.
- To support personal selling. To motivate salesmen to work more.
- To increase effectiveness of advertising.
- To reduce the degree of dissatisfaction of customers.
- To increase familiarity and popularity of product, brand or company name.

Sales Promotion Methods:

Sales promotional efforts are carried out at three levels – consumer level sales promotion, dealer level sales promotion, and salesmen level sales promotion. These are discussed below:

- 1. Consumer Level Sales Promotion:** To stay and grow in competitive market situation, producers offer several incentives to attract new consumers and maintain existing consumers. Selection of sales promotion tools for consumers depends on objectives of company, types of products, company's financial position, consumer behaviour, market trend, competition, and other relevant variables. Most popular tools of consumer level sales promotion include:

- Free Sample.
- Gifts.
- Coupons.
- Credit facilities.
- Price discount.

- Free demonstration.
- Free trial, etc.

2. Dealer/Channel Level Sales Promotion: Some companies offer short-term incentives to middlemen to make them active and interested. These incentives may be financial or non-financial. Such incentives encourage them to make more efforts to sell particular brands. Most common dealer level sales promotion tools are as below:

- Bonus.
- Training to staff.
- Trade discount and cash discount.
- Free transportation and insurance.
- Gifts on excess sales.
- Parties and meetings.
- Storage facilities.

3. Salesman Level Sales Promotion: In this type of sales promotion, salesmen are offered certain incentives to encourage them to make more sincere efforts. Such incentives are not offered in regular course. The incentives are offered for a short-period of time. These incentives may be financial or non-financial. They include:

- Extra commission – high rate or more amounts.
- Free training.
- Sales materials and samples for customers.
- Gifts articles.
- Offering products at free-of-costs or at concessional rate.
- Profit sharing.
- Special allowances and commissions.

Needs, Objectives, Scope and Limitations

1.2: Needs of the Study:

- To find out the various sales promotional techniques used by TI Ford.
- To find the importance of the sales promotion of TI Ford
- To find out the impact of sales promotion on sales of TI Ford in the market of Guwahati city.
- To find out the increase of sales of TI Ford by using sales promotion.
- To find out the effective method of using sales promotions.

1.3: Objectives of the Study:

The main objective of the study is:

1. To study the various sales promotional techniques used by TI Ford.
2. To measures the impact of sales promotion on overall sales of the organisation.
3. To study the importance of sales promotion in the organisation.
4. To study the limitations of sales promotion as a tool to increase rapid sales of the company.
5. To suggest measure for improving the sales promotion policy of the company.

1.4: Scope of the Study:

As consumers have developed a resistance to advertising, the use of sales promotion has increased. There is scope for a variety of activities with sales promotion and companies seek to create a promotion that singles it out from competitors.

The scope of the study is:

1. This study will help out to find what type of promotional scheme will increase the sales.
2. This study will help to gains insights in the sale of cars and services provided by TI Ford.
3. To analyse the effectiveness of the promotional activities.

1.5: Limitations of the Study:

The study is restricted in scope of owing to the following limitations:

1. The lower number of staffs in the organisation.
2. Sometimes the employees did not have time to fill up the questionnaire due to their work load.
3. Distance of the showroom from my location.
4. Due to less time the data the sample size is restricted to 50 respondents.
5. Due lack of knowledge and as a student (researcher), there is a lack of professionalism in the study.
6. Due to lack of time the employees tick more than one answer in a question as they are in hurry.