Contents
CONTENTS

List of Tables
List of Figures

CHAPTER I
INTRODUCTION

1.1 Introduction 1
1.2 Need for the Study 3
1.3 Problem Formulation 6
1.4 Research Questions 8
1.5 Objectives of the study 9
1.6 Methodology 9
  1.6.1 Scope 9
  1.6.2 Data Source 10
  1.6.3 Data Analysis 10
    1.6.3.1 Autocorrelation 10
    1.6.3.2 Unit root tests 13
    1.6.3.3 Techniques Identified 15
1.7 Limitations of the study 21
1.8 Chapter Scheme 22

CHAPTER II
REVIEW OF LITERATURE

2.1 Introduction 29
2.2 Previous research works related to Advertising and market share dynamics 29
2.3 Previous research works related to Market Share and elasticities 30
2.4 Previous research works related to Determinants of Market Share 34
2.5 Previous research works related to Market Share and Profitability relationship 38
2.6 Conclusion 41
CHAPTER III
MARKET SHARE ANALYSIS

3.1 Introduction 47
3.2 Previous Research Work 47
3.3 Results and Discussion 49

3.3.1 Product-wise Company-wise Sales Growth:

3.3.1.1 Colour Television - Company-wise Trends in Sales 1991-2006 49
3.3.1.2 Refrigerator - Company-wise Trends in Sales 1991-2006 52
3.3.1.4 Air Conditioner - Company-wise Trends in Sales 1991-2006 58
3.3.1.5 Comparative analysis of Product-wise Growth Trends in Sales 1991-2006 61

3.3.2 Market Share Gain / Erosion, Price, Cross and Advertising Elasticities of Market Share 63

3.3.2.1 Colour Television 63

(i) Market Share of Colour Television 63
(ii) Market Share Gain/Erosion in Colour Television 66
(iii) Prices of Colour Television 69
(iv) Price Elasticities of market share in Colour Television 69
(v) Cross elasticities in Colour Television 72
(vi) Advertising Elasticities in Colour Television 72

3.3.2.2 Refrigerator 75

(i) Market Share of Refrigerator 75
(ii) Market share Gain/erosion in Refrigerator 77
(iii) Prices of Refrigerator 81
3.3.2.3 Washing Machine
(i) Market Share of Washing Machine
(ii) Market share gain/ share in Washing Machine
(iii) Prices of Washing Machine
(iv) Price Elasticities of Market Share in Washing Machine
(v) Cross Elasticities in Washing Machine
(vi) Advertising Elasticities in Washing Machine

3.3.2.4 Air Conditioner
(i) Market Share of Air Conditioner
(ii) Market Share Gain / Erosion in Air Conditioner
(iii) Prices of Air Conditioner
(iv) Price Elasticities of Market Share in Air Conditioner
(v) Cross Elasticities in Air Conditioner
(vi) Advertising Elasticities in Air Conditioner

3.4 Conclusion

CHAPTER IV
DETERMINANTS OF MARKET SHARE

4.1 Introduction
4.2 Previous Research Works
4.3 Justification
4.4 Determinants of Market Share
4.5 Results and Discussion
<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5.1</td>
<td>Colour Television</td>
<td>119</td>
</tr>
<tr>
<td>4.5.1.1</td>
<td>Linear Model</td>
<td>119</td>
</tr>
<tr>
<td>4.5.1.2</td>
<td>Log Linear Model</td>
<td>120</td>
</tr>
<tr>
<td>4.5.1.3</td>
<td>Linear Model with lagged variables</td>
<td>121</td>
</tr>
<tr>
<td>4.5.1.4</td>
<td>Log Linear Model with lagged variables</td>
<td>122</td>
</tr>
<tr>
<td>4.5.1.5</td>
<td>Company-wise Results</td>
<td>123</td>
</tr>
<tr>
<td>4.5.2</td>
<td>Refrigerator</td>
<td>129</td>
</tr>
<tr>
<td>4.5.2.1</td>
<td>Linear Model</td>
<td>129</td>
</tr>
<tr>
<td>4.5.2.2</td>
<td>Log Linear Model</td>
<td>130</td>
</tr>
<tr>
<td>4.5.2.3</td>
<td>Linear Model with lagged variables</td>
<td>131</td>
</tr>
<tr>
<td>4.5.2.4</td>
<td>Log Linear Model with lagged variables</td>
<td>132</td>
</tr>
<tr>
<td>4.5.2.5</td>
<td>Companywise Results</td>
<td>133</td>
</tr>
<tr>
<td>4.5.3</td>
<td>Washing Machine</td>
<td>138</td>
</tr>
<tr>
<td>4.5.3.1</td>
<td>Linear Model</td>
<td>138</td>
</tr>
<tr>
<td>4.5.3.2</td>
<td>Log Linear Model</td>
<td>139</td>
</tr>
<tr>
<td>4.5.3.3</td>
<td>Linear Model with lagged variables</td>
<td>140</td>
</tr>
<tr>
<td>4.5.3.4</td>
<td>Log Linear Model with lagged variables</td>
<td>141</td>
</tr>
<tr>
<td>4.5.3.5</td>
<td>Companywise Results</td>
<td>141</td>
</tr>
<tr>
<td>4.5.4</td>
<td>Air Conditioner</td>
<td>147</td>
</tr>
<tr>
<td>4.5.4.1</td>
<td>Linear Model</td>
<td>147</td>
</tr>
<tr>
<td>4.5.4.2</td>
<td>Log Linear Model</td>
<td>148</td>
</tr>
<tr>
<td>4.5.4.3</td>
<td>Linear Model with lagged variables</td>
<td>149</td>
</tr>
<tr>
<td>4.5.4.4</td>
<td>Log Linear Model with lagged variables</td>
<td>150</td>
</tr>
<tr>
<td>4.5.4.5</td>
<td>Companywise Results</td>
<td>151</td>
</tr>
<tr>
<td>4.6</td>
<td>Conclusion</td>
<td>161</td>
</tr>
</tbody>
</table>
CHAPTER V
MARKET SHARE AND PROFITABILITY RELATIONSHIP

5.1 Introduction
5.2 Previous Research Works
5.3 Specification of the model
5.4 Test of Causality
5.5 Causality between Market Share and Profitability
  5.5.1 Causality between Market Share and Profitability in Colour Television
  5.5.2 Causality between Profitability and Market Share in Colour Television
  5.5.3 Causality between Market Share and Profitability in Refrigerator
  5.5.4 Causality between Profitability and Market Share in Refrigerator
  5.5.5 Causality between Market Share and Profitability in Washing Machine
  5.5.6 Causality between Profitability and Market Share in Washing Machine
  5.5.7 Causality between Market Share and Profitability in Air Conditioner
  5.5.8 Causality between Profitability and Market Share in Air Conditioner
5.6 Conclusion

CHAPTER VI
ADVERTISING AND MARKET SHARE DYNAMICS AND DURABILITY OF ADVERTISING EFFECT ON SALES

6.1 Introduction
6.2 Previous Research Works
6.3 Koyck lag model
6.4 Durability of advertising effect on market share
6.4.1 Implied annual advertising depreciation rates in Colour TV 183
6.4.2 Implied annual advertising depreciation rates in Refrigerator 184
6.4.3 Implied annual advertising depreciation rates in Washing Machine 186
6.4.4 Implied annual advertising depreciation rates in Air Conditioner 187
6.5 Durability of advertising effect on sales 189
6.5.1 Implied annual advertising depreciation rates in Colour TV 189
6.5.2 Implied annual advertising depreciation rates in Refrigerator 190
6.5.3 Implied annual advertising depreciation rates in Washing Machine 192
6.5.4 Implied annual advertising depreciation rates in Air Conditioner 193
6.6 Conclusion 195

CHAPTER VII
SUMMARY AND CONCLUSIONS, SUGGESTIONS, RECOMMENDATIONS AND DIRECTIONS FOR FUTURE RESEARCH

7.1 Introduction 197
7.2 Research Questions 197
7.3 Objectives of the Study 198
7.4 Summary and Conclusions 198
7.4.1 Market Share Analysis 198
7.4.1.1 Growth Trends in Sales 198
7.4.1.2 Market share of Consumer durables 199
7.4.1.3 Market share Gain/Erosion 201
7.4.1.4 Prices 202
7.4.1.5 Price Elasticities of Market Share 202
7.4.1.6 Cross Elasticities of Market Share 202
7.4.1.7 Advertising Elasticities of Market Share 203
7.4.2 Determinants of Market Share
7.4.3 Market share and Profitability Relationship
7.4.4 Advertising and Market Share Dynamics and Durability of advertising effect on sales

7.5 Inferences drawn
7.6 Suggestions and recommendations
7.7 Directions for future research

SELECT BIBLIOGRAPHY