Chapter I

INTRODUCTION
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1.1 INTRODUCTION:

The Indian consumer market can be described as a kaleidoscope. Consumption habits are dictated by social and cultural influences. A major purchase like a television or a refrigerator is viewed as an auspicious activity and timing of the purchase assumes a lot of significance. In this backdrop, it is no surprise that many manufacturers plan their sales promotion programmes coinciding with festivals and auspicious occasions. According to Gupta & Ramachandran, the festival seasons commences with a power packed last quarter of every year with festivals like Durga Puja, Navratri, Dasara Diwali, Christmas and New Year. Apart from the auspicious time and vibrant mood that manifests in a high propensity to spend, there are some critical drives, which enable increase in consumption. The most important of these is the temporary increase in disposable incomes, courtesy the festival bonus. Added to this is the ignition in terms of heightened activity by manufacturers. Various pull generating factors like irresistible promotional offers and a bombardment of multimedia messages provide the required combustion point. An all round win-win situation is created with consumers benefiting from great new deals.

1.2 SALES PROMOTIONS:

Every business aims at maximization of profits in the long run or in short run. Promotion is one of the tools to achieves this. Promotion has the function to inform, to persuade and to remind. Sales promotion is that element of promotion mix, which does persuasive function more emphatically. According to W.J. Stanton, sales promotion includes all those activities other than activities like advertising, personal selling,
public relations and publicity that are intended to simulate customer
demand and improve the marketing performance of sellers. Sales
promotion may include coupons, premiums, trade show, in store displays,
samples, cash discounts, quantity discounts, contests directed towards end
users or middlemen.

Advertising, sales promotion and personal selling all are tools of
promotion and are very much interrelated and supplement the efforts of
each other.

Emphasis on sales promotion varies considerably among
organizations. Some firm do very little sales promotion while other spend
more on sales promotion than any other more emphasis on persuasion and
conviction.

A.H.R. Delens, defines sales promotion as “Sales promotion menas
steps that are taken for the purpose of obtaining or increasing sales”.

John, L. Luick and William Lee Ziegler defines sales promotion as
“Sales promotion as a tool of market promotion gives rise to increase in
product usage as well as expansion of markets for a product or introduction
of a new product”.

According to Philip Kotler, “Sales promotion consists of short-term
incentives to encourage purchase or sales of a product or service. Whereas
advertising and personal selling offer reasons to buy a products or service,
sales promotion offers reasons to buy now.

American Marketing Association defines sales promotion as “Those
activities that supplements both personal selling and advertising, co­
ordinate them and help to make them more effective”.
Christian Peterson defines sales promotion as "Sales promotion is the achievement of short term marketing objectives by schematic means".

1.3 ELEMENTS OF SALES PROMOTION:

The elements of sale promotion are:

1. It is a featured offer.
2. It is meant to give tangible advantages not inherent in a product or service.
3. It is meant for the achievement of marketing objectives.

1. **It is a featured offer**: For a sales promotion to exist, someone must be offered something and that offer must be featured, and not just a nominal and unremarked aspect of trade.

2. **It is meant to give tangible advantages not inherent in a product or service**: The offer has to be of a tangible nature and it should not be inherent in the product or service. According to Court, inherent means something that a product or service must possess to be fit for its purpose. It would be ludicrous if we table our Coffee, COMPLETE WITH FREE JAR, we would be making a rather fictitious advertising claim. The Jar is necessary to keep the Coffee it for its purpose – but if we pack our coffee in a storage Jar specially designed for other purposes after the coffee has been used, then quite properly we have created a sales promotion by making the featured offer. “FREE STORAGE JAR”.

3. **It is meant for the achievement of marketing objectives**: We would use this phrase rather than the more limited to achieve greater sales because though the majority of sales promotions are designed to persuade us to buy, or to buy more some are designed
for quite different purposes — to motivate others to sell, or to mount
displays, or to learn more about a product or service. Indeed in this
world of periodic shortages, sales promotion may soon be used to
persuade people to buy less.

1.4 OBJECTIVES AND FUNCTIONS OF SALES PROMOTION:

Three objectives of sales promotion can be derived:

1. To influence the customers for purchasing the product or service
   instantly because the sales promotion time is very limited and if the
customers do not respond to it quickly, they may lose the offer.

2. To encourage the middlemen to buy and store more units of the
   product by offering them incentives for bulk purchase and increased
   sales.

3. To motivate the salesmen to participate enthusiastically in the work.
   It is the sales people who are in direct contact with the customers
   and if salespersons get satisfied, they can push the product or
   service. Often customers decide to purchase or not to purchase on
   the basis of the opinion of the salesperson.

1.5 CLASSIFICATION OF SALES PROMOTION:

There are three types of sales promotion:

1. Customer promotion.
2. Trade Promotion.
3. Sales Force Promotion.
1. **Customer promotion**: Here the target beneficiaries are the customers. Here the offers are offered to the ultimate customers. Such an offer is always for a short period. If the period increases, the validity of the promotional measures decreases.

Sales promotion aimed at final consumers or users usually is trying to increase demand or might involve developing materials to be displayed in retailer’s store including banners and streamers, sample packages, calendars and various point-of-purchase materials. The sales promotion people also might develop the aisle displays for supermarkets. They might be responsible for Sweep Stakes contests – as well as coupons designed to get customers to buy a product by a certain date.

Consumer-level sales promotional tools are:

i. Consumer contests with prizes.
ii. Price-off deals.
iii. Purchase price refunds.
iv. Coupons.
v. Samples.
vi. Premiums or gifts.
   a. With-pack premium
   b. Reusable container
   c. Free-in-the-mail premium
   d. Self-liquidating premium.

vii. Rewards plan on purchases.
viii. Free trials
ix. Product warranties
x. Cross Promotions

xi. Point-of-Purchase (POP) display and demonstrations.

Consumer Promotion can be offered either by a manufacturer or a retailer. Those tools which carry a selling message from one category, e.g., free samples, coupons, gifts related to the product, form one category. The rest from another category, e.g., price-off packs, trade allowances, etc. gifts not related to product.

Some check-points for SP schemes for consumer promotion.

The basic aim is to increase consumption, usage. The incidental aims are:

i. to make slow moving products fast moving ones.
ii. to regularize sales fluctuations.
iii. to overcome seasonal recession.
iv. to clear unsold stocks of old product.
v. to effect sales of a specific pack size.
vi. to help launch a new product.
vii. to meet a competitor's strategy.
viii. to build goodwill by sharing the gay spirit.
ix. to improve products visibility on the shelf.
x. to encourage trade to support the product.

2. Trade Promotion: Here the target is the middleman. They are being offered the incentives with the hope that they will stock more and push the product to the customers. This type of sales promotion is a very important effort to seek the co-operation of the middlemen.
3. **Sales Force Promotion**: This type of sales promotion emphasizes to increase and boost up the morale of the sales people. They are being offered commission, bonus and other incentives for increased sales so that they work dedicatedly. Service oriented firms such as hotels or restaurants now use sales promotions targeted at their employees, for example, giving a monthly cash prize for the employee who provides the best service.

1.6 **ORGANISING SALES PROMOTION CAMPAIGNS:**

Thought almost all companies resort to sales promotion, only some of them go about the job in a professional, planned way. Others tend to view sales promotion as a weapon that can be taken out just like that and used in an emergent situation. Sales promotion yields the results only when it is properly organized.
This involves setting sales promotion objectives and strategies, determining a sales promotion budget, and selecting appropriate sales promotion tools/techniques. A customer has to be made to believe that the promo is giving him more value for his money than what he would get without the deal. Promotional offers for which customers immediately receive rewards are likely to produce better success than those that promise rewards in the distant future. Offers showing lesser probabilities of getting rewards fail to take off. Another major point is that the rapid growth of sales promotion media has created clutter similar.

The steps involved in organizing sales promotion are discussed below:

a. Identifying and articulating the requirements.

b. Identifying the right sales promotion programme.

c. Enlisting the involvement of salesman.

d. Enlisting the support of the retailers/ trade

e. Fully involving the ad agency

f. Maintaining the tempo

g. Timing of the campaign.

h. Co-ordination with other elements of promotion.

1.7 IMPORTANCE OF SALES PROMOTION:

Sales promotion acts as a bridge between advertising and personal selling. Due to the diversity of markets, the importance of sales promotion has increased tremendously. Sales promotion helps keep the consumer's dissatisfaction above a particular product manufacturer, and create brand
image in the minds of the consumers and the users. Sales promotional
devices are the only promotional devices available at the point of purchase.
An advertising medium reaches the prospects at their homes, offices etc.
and may soon be forgotten. The sales promotional devices at the point-of-
purchase stimulate the customers to make purchase promptly on the spot.

Business firms use sales promotion as promotional tool to achieve
the following benefits:

- **Customer satisfaction**: Promotion helps in letting the people know
  about the utility of the new products. It also tells them how the
  concerned products will be helpful in satisfying their certain
  demands.

- **Creates product identity**: Promotion helps in differentiating a
  particular product from the competing product. A business firm can
  also supply data revealing how its product compares with other
  products on features, attributes etc.

- **Spreads information**: The main function of promotion is to inform
  the prospective buyers about the availability, characteristics and uses
  of a particular product. Thus, it provides support to marketing
  activities.

- **Stabilization of sales volume**: In the modern age of competition, it
  is an important purpose of promotion to help in stabilizing sales
  volume by reassuring the customers about the quality and price of
  the product. It is possible that a customer using a particular brand,
  may buy another because the other brand is promoted in an effective
  manner.
Performance appraisal or marketing control: The management of a company can keep an effective check on the results achieved through sale promotion schemes, because it is in a position to analyse the costs incurred and the benefits derived.

Stimulates demand: Promotional activities are designed to create interest in new products and to persuade people to buy them.

Sales promotions are action-focused marketing events whose purpose is to have a direct impact on the behavior of the firm’s customers. There are three major types of sales promotions: consumer promotions, retailer promotions, and trade promotions. Consumer promotions are promotions offered by manufacturers directly to consumers. Retailer promotions are promotions offered by retailers to consumers. Trade promotions are promotions offered by manufacturers to retailers or other trade entities (Blattberg and Neslin 1990). This thesis is focused on promotions offered to the consumer, therefore a combination of consumer and retailer promotions. Throughout the world, sales promotions offered to consumers are an integral part of the marketing mix for many consumer products. Marketing managers use price-oriented promotions, such as coupons, rebates, and price discounts to increase sales and market share, entice consumers to trial, and encourage them to switch brands or stores. Non-price promotions such as sweepstakes, frequent user clubs, and premiums add excitement and value to brands and may increase brand attractiveness. In addition, consumers like promotions. They provide utilitarian benefits such as monetary savings, increased quality (higher quality products become attainable), and convenience, as well as
hedonistic benefits such as entertainment, exploration, and self-expression (Huff and Alden 1998, Chandon et al. 2000).

1.8 CONSUMER BEHAVIOUR:

Consumer behaviour is the study of when, why, how, and where people do or do not buy a product. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Consumer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalisation, customisation and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Deal Proneness:

A lot of sales promotion research makes use of trait theory, assuming that promotion response is general across different environmental situations (i.e., across time and product categories). The concept of deal proneness (the psychological promotion sensitivity trait) is
Managers and researchers alike have spent considerable effort trying to identify and understand the 'deal-prone' consumer. Blattberg and Neslin (1990) proposed the following definition for deal proneness, drawing from previous work:

**Deal proneness is the degree to which a consumer is influenced by sales promotion, in terms of behaviors such as purchase timing, brand choice, purchase quantity, category consumption, store choice, or search behavior.**

Consumer Behaviour is defined as "the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives" (American Marketing Association) 8.

Consumer Behaviour has been defined as "the study of those actions directly involved in obtaining, consuming and disposing of products and services, including the decision processes that precede and follow these actions" (Blackwell et al, 1988) 9.

Loudent & Bitta (2002) 10 defined consumer behavior as "The decision process and physical activity individuals engage in when evaluating, acquiring, using and disposing of goods and services".

Equivocal and haphazard application of this concept is inevitable using terms as "influenced" and "degree". Prior studies have adopted different conceptualizations, definitions and operationalizations of deal
prone buyers, which hampers comparison. Characterization of the deal-
prone consumer will contribute to the understanding of consumer behavior 
in general (Webster 1965). Comparing different operationalizations and 
measures of deal proneness may provide refined insights in, and 
understanding of the influence of sales promotions on consumer purchase 
behavior. These insights become more and more important, given the fact 
that in recent years, consumer sales promotions have played an 
increasingly important role in the promotional strategy of many businesses. 
As mentioned before, high levels of advertising clutter and rising media 
costs have prompted many businesses to allocate larger shares of their 
promotional budgets away from advertising and toward consumer sales 
promotions (Shimp 1990). Because of this trend, a considerable amount of 
research has been undertaken in an attempt to identify and understand the 
deal-prone consumer (e.g., Lichtenstein et al. 1990, 1995, Schneider and 
Currim 1991). However, results of deal proneness studies have been 
modest and conflicting (Henderson 1987).

1.9 LIMITATIONS OF SALES PROMOTION:

While sales promotion can no doubt support the selling effect by 
providing an extra incentive to the consumer to purchase the product, it 
has its limitations/downside too. In the first place, it can be used only for 
short-term sales achievement. Even here, it can result in a lose-lose 
proposition for the players in the given industry, as each player eats into 
the sales of the other, depending on the relative attractiveness of their 
respective promos. Second, consumers may hesitate to buy any brand 
without these attractions. For example, automobile manufacturers turned 
to zero per cent financing and hefty cash rebates to ignite sales and have,
since then found a difficult to wean consumers from the discounts. Many car buyers indicate that their car purchase now will be influenced by the extent of incentives.

More important, if sales promotional devices like price-offs, free offers and premiums, are frequently resorted to, the image of the brand may suffer. There is a saying that while advertising builds up brand loyalty, sales promotion breaks brand loyalty. If high decibel activity is kept on for a good length of time by the various players, the promos will not generate excitement anymore, either with customers or with retailers. It will only hasten the commoditization of the brands in the category, with every brand offering a deal. The case with which competitions can copy any promote and retaliate with the imitation is another negative of sales promotion. No wonder sales promotion is viewed somewhat skeptically my many marketing men.

1.10 NEED FOR THE STUDY:

Sales Promotions have been playing prominent role in tapping the market potential, the required attention was not paid about the research in this vital area. Most of the studies in the area of sales promotions were conducted abroad. Indian market environment specific studies have been very scanty and inadequate. Few studies related to understanding promotions and their impact on consumers has focused on dimensions such as price proneness value consciousness, deal proneness etc. Most of these studies however, are confined to laboratory settings. There are few studies in field settings general and almost insignificant in the consumer durable market. Hence, there is a need to study the Impact of Sales Promotions on
Consumer Behavior with special reference to consumer durable market since this market has a tremendous growth potential in India.

Keeping this in view, an attempt is made to study the Impact of Sales promotions on consumer behavior with reference to selected consumer durable products.

1.11 PROFILE OF THE STUDY AREA: LATUR DISTRICT:

Latur district has an ancient historical background. The King 'Amoghvarsha' of Rashtrakutas developed the Latur city, originally the native place of the Rashtrakutas. The Rashtrakutas who succeeded the Chalukyas of Badami in 753 A.D called themselves the residents of Lattalut.

1.11.1 Geographical Position and Physical Features:

The Latur District is in the south-eastern part of the Maharashtra state. Latur town is situated on the 18.7° latitude and 73.25° longitude. The district is situated on the Maharashtra Karnataka boundary. On the eastern side of the Latur is Bidar district of Karnataka, whereas Nanded is on the northeast, Parbhani on the northern side, Beed on the Northwest and Osmanabad on the western and southern side. The entire district of Latur is situated on the Balaghat plateau, 540 to 638 mtrs from the mean sea level.

1.11.2 Administrative Divisions of Latur:

The area of Latur district is 7372sq.kms. The district is divided into three sub-divisions and 10 Talukas. The number of village in Latur district according to the 2001 census, is 943.
1.11.3 History:

Latur has an ancient history. It was home to the Rashtrakutas and was part of Ashoka's empire. It was, over the centuries, variously ruled by the Satavahanas, the Sakas, the Chalukyas, the Yadavas of Deogiri, the Delhi Sultans, the Bahamani rulers of South India, Adil Shahi, and the Mughals. Later in the 19th century it became part of the independent princely state of Hyderabad. Earlier known as Naldurg tehsil, in 1905 it was merged with surrounding areas and renamed Latur.
tehsil, and became part of Osmanabad district. After independence, and the merger of Hyderabad with the Indian Union, Osmanabad became part of Bombay Province. In 1960, with the creation of Maharashtra, it became one of its districts. On August 15, 1982, Latur was separated from Osmanabad to form a separate Latur district.

The district may be divided into two regions -- the Balaghat plateau, and the northeastern region consisting of Ahmadpur and Udgir.

**1.11.4 Latur District Profile at a Glance:**

<table>
<thead>
<tr>
<th>Geographical location:</th>
<th>Between 17°52' North to 18°50' North and 76°18' East to 79°12' East in the Deccan plateau</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area:</td>
<td>7,157 sq km</td>
</tr>
<tr>
<td>Adjoining districts:</td>
<td>East: Nanded; south-west: Osmanabad; north-west: Beed; north: Parbhani; south-east: Andhra Pradesh</td>
</tr>
<tr>
<td>Major urban centres:</td>
<td>Ahmadpur, Ausa, Latur, Nilanga, Udgir</td>
</tr>
<tr>
<td>Major crops:</td>
<td>Cereals, oilseeds, pulses, grapes</td>
</tr>
<tr>
<td>Major rivers:</td>
<td>Manjra, Terna, Rena, Manar, Tawarja, Tiru, Gharni</td>
</tr>
<tr>
<td>Total no. of Sub Divisions:</td>
<td>3</td>
</tr>
<tr>
<td>Total no. of Tahsils:</td>
<td>10</td>
</tr>
<tr>
<td>Total no. of Villages:</td>
<td>945 (Census 2001)</td>
</tr>
<tr>
<td>Total no. of Gram Pachayat:</td>
<td>786</td>
</tr>
<tr>
<td>Total no. of Panchayat Samiti:</td>
<td>10</td>
</tr>
</tbody>
</table>
### Eemography (2011 census):

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population:</td>
<td>2,455,543</td>
</tr>
<tr>
<td>Density of population:</td>
<td>343</td>
</tr>
<tr>
<td>Men:</td>
<td>1,276,262</td>
</tr>
<tr>
<td>Women:</td>
<td>1,179,281</td>
</tr>
<tr>
<td>Total rural population:</td>
<td>1,830,085</td>
</tr>
<tr>
<td>Total urban population:</td>
<td>625,458</td>
</tr>
<tr>
<td>Sex-ratio:</td>
<td>924</td>
</tr>
<tr>
<td>Literacy Total:</td>
<td>79.03</td>
</tr>
<tr>
<td>Literacy (Men):</td>
<td>87.42</td>
</tr>
<tr>
<td>Literacy (Women):</td>
<td>70.02</td>
</tr>
</tbody>
</table>

### Connectivity

<table>
<thead>
<tr>
<th>Mode</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>Latur is connected by air with Mumbai.</td>
</tr>
<tr>
<td>Rail</td>
<td>Latur is connected by rail. Direct trains available for Mumbai and Hyderabad.</td>
</tr>
<tr>
<td>Road</td>
<td>State highways and roads from the district headquarters at Latur link all 10 tehsils (subdistricts) and major towns.</td>
</tr>
</tbody>
</table>

### Rivers:

<table>
<thead>
<tr>
<th>River</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manjara</td>
<td>This is the main river. Its origin is near the Gaukhadi Village of Beed district. The river flows from the northern boundaries of the Osmanabad district and cutting across the Latur district goes to Karnataka State.</td>
</tr>
<tr>
<td>Terna</td>
<td>This is the main tributary of Manjara which flows on the southern boundary of the Ausa taluka.</td>
</tr>
<tr>
<td>Manyad</td>
<td>This river takes its origin at</td>
</tr>
</tbody>
</table>
Dharmapuri in Beed district and flows through the Ahmadpur taluka into Nanded district

Lendi: The river has its origin in Udgir taluka and flowing through the Ahmadpur taluka joins the Tiru river in Nanded district.

Gharni: The river has its origin near Wadval and flows through Chakur taluka.

Tawarja: Tawarja originates near Murud in Latur taluka and joins the Manjara river at Shivani on the Latur-Ausa boundary.

<table>
<thead>
<tr>
<th>Climate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max temp in °C: 39.6°C</td>
</tr>
<tr>
<td>Min temp in °C: 13.9°C</td>
</tr>
<tr>
<td>Average rainfall in mm: 802.4 mm</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries: Oil mills, nutcrackers, locks, stoves, brassware, milk powder, ginning and pressing</td>
</tr>
<tr>
<td>Industrial centres: Latur, Udgir, Halli, Handarguli, Devni, Murud, Ahmadpur</td>
</tr>
<tr>
<td>Main markets: Latur, Udgir, Ahmadpur</td>
</tr>
<tr>
<td>Main banking centres: Latur, Udgir, Ahmadpur, Nilanga,Aus</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disaster Vulnerability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood: No</td>
</tr>
<tr>
<td>Earthquake: Indicated in zone IV: very high probability; massive earthquake in 1993</td>
</tr>
<tr>
<td>Cyclone: Yes</td>
</tr>
<tr>
<td>Drought: Drought-prone</td>
</tr>
<tr>
<td>Relief machinery: Cranes: 2</td>
</tr>
</tbody>
</table>
## Medical facilities

| Hospitals: | There are 12 government hospitals, 46 PHCs, 19 dispensaries and 234 primary health support groups. |
| Health facilities: | Government-run primary health centres, sub-centres or dispensaries provide basic healthcare to nearly 30% of the villages and 50% of the rural population. The Civil Surgeon and Civil (District) Hospital offering tertiary healthcare in a three-tier healthcare system are located at the district headquarters. |
| Blood banks: | 2 |

## Language

| Language: | The primary language is Marathi. Urdu, Telegu, Kannada, Hindi, Gujarati and Rajasthani are also spoken. |

## Food

| Food: | People prefer eating rotis, rice, dal (pulses) and sabji (vegetables). |

## Culture and Religion

| Fairs and festivals: | Shri Siddeshwar fair at Latur is held every year. Thousands of people attend the Gangaram Maharaj Samadhi every Ekadashi at Hattibet in Udgir tehsil. |
| Religious places: | Ausa, Hattibet, Nilanga, Renapur, Shirur Anantpal, Tambala, Ujani |
1.12 OBJECTIVE OF THE STUDY:

The main objective of the study is to examine the impact of sales promotions on consumer behavior with special reference to select consumer durables i.e. Colour Television, Refrigerator, and Washing machine.

To be more specific, the objectives are as under –

01. To review the scenario of sales promotions in consumer durable market with special reference to Colour Television, Refrigerator and Washing machine.

02. To examine the preferences of consumers on Monetary and Non monetary sales promotions in the select product categories (Colour Televisions, Refrigerators and Washing machines).

03. To examine the impact of sales promotions at different stages of consumer decision making i.e. Pre-purchase, Purchase and Post purchase stages.

04. To examine the behavior of respondents with regard to brand selection, mode of purchase, preference for availing promotions, retailer selection, frequency of visits etc.

05. To analyze the responses of consumers on sales promotions with reference to selected consumer durable products. (Colour televisions, Refrigerators and Washing machines.)
1.13 **HYPOTHESIS**:

Based on the afore said objectives the following hypothesis where formulated and tested.

1. Preference for type of promotions (monitory and non monitory) and select demographic variables (age, income and profession) are not associated.

2. Preference for type of promotions (monitory and non monitory) is not associated with family characteristics.

3. Preference for type of promotions (minatory and non monitory) is not associated with awareness of promotions with regard to –
   i. Price off.
   ii. Assured gift.

4. Preference for type of promotions (monitory and non monitory) is not associated with brand purchase.

5. Search effort as measured by (Number of outlets visited) does not have any association with.
   a. Brand purchased.
   b. The location (market) to which the respondent belongs.
   c. Education of the respondent.
   d. Income of the respondent.
   e. Profession of the respondent.

6. Brand purchased and the modes of purchase are not associated.

7. Brand purchased and category of retailer selected for the purchase is not associated.
1.14 RESEARCH METHODOLOGY:

i) Primary Data:

Data for the study has been collected mainly from Primary sources and to some extent from secondary sources. Primary data was collected from consumers. Consumers who purchased the selected durables during the selected time frame September, 2010 to December, 2010. Were interviewed during January, 2011 to March 2011. For this purpose sample respondents were selected. Taking in to population due representation is given while selecting number of respondents. Stratified random sampling technique was used. At the first instance all the Talukas in Latur District are bifurcated into Rural and Urban Talukas. Latur, Udgir, Ahmedpur, Nilanga and Ausa are having municipal councils. They are considered as Urban centers. Whereas Chakur, Devni, Jalkot, Renapur and Shirur Anantpal are the rural talukas selected for the study. Based on the population of each village and city, number of respondents were selected. 400 consumer respondents were approached. However, 382 consumers have given response. Colour Television, Refrigerator and Washing machine are the selected consumer durables of LG, SAMSUNG, VIDEO CON companies are considered for the study.

ii) Secondary Data:

Secondary data is also collected through various books, journals, magazines, newspapers, Internet survey and available research articles regarding this subject which would provide basic knowledge.
iii) Analysis and Interpretation:

Collected data is analysed and presented in the form of tables. Statistical tools like average, chi-square were applied. Scaling techniques is also used to reach to the conclusions.

iv) Reliability and validity:

Reliability refers to the degree to which data collected method or methods will yield consistent finding, similar observations would be made or steps taken the same type of questions was used during all these sessions in order to increase the reliability.

Validity is defined as the extent to which data collection method or methods accurately measures what they were intended to measure.

Steps taken for validity data was collected with open ended questions by structured questionnaire.

Data was collected from the reliable sources.

1.15 SCOPE AND LIMITATIONS OF THE STUDY:

Sales promotions have been widely adopted across all product categories including FMCG and consumer durables. However, the scope of this study is restricted to consumer durables and within consumer durables it is confined to five selected products which form the significant share in the consumer durable market (Colour Television, Refrigerators, Washing machines).

Further the indebt analysis will be restated to urban and rural areas of Latur District.
The study has been confined to consumer durable category only, although sales promotions are extensively used in FMCG market also. The sample selected for the study is moderate. Though every care has been taken to select the sample as representative, a bigger sample could have given more accurate responses. For reasons of time and cost limitations, the study is confined to this moderate sample.

1.16. LAYOUT OF THE THESIS:
This study is presented in seven chapters.

1) Introduction
2) Review of literature
3) Consumer durable market in India
4) Impact of Sales promotion on consumer behavior – Colour Television
5) Impact of Sales promotion on consumer behavior – Refrigerator
6) Impact of Sales promotion on consumer behavior – Washing Machine
7) Conclusions

REFERENCES:

2. Ebid p. 323
7. Ibid p. 709
13. Ibid p. 5.