

**CHAPTER 1**  
**INTRODUCTION**

## 1.1 INTRODUCTION

Since sales are the lifeblood of a company and without them there would be no company in the first place, it is crucial for a company to have a sales promotion strategy in place if it wants to prosper. A sales promotion's main goal is to increase a business's sales by forecasting and changing the purchasing patterns and behaviours of your target market. Sales promotion is crucial since it not only increases sales but also helps a company maintain existing consumers while attracting new ones. A corporation can utilise a variety of sales promotion techniques to boost sales, but it's critical that we first comprehend what a sales promotion strategy is and why it's so crucial. An action planned to increase the sales of a good or service is called a sales promotion strategy. This can be accomplished through door-to-door sales, telemarketing, personal sales letters, and emails, as well as through advertising campaigns, public relations initiatives, free gift and sample campaigns, trading stamp campaigns, and temporary price reduction. It is impossible to overstate the significance of a sales marketing campaign. This is due to the necessity of a sales marketing strategy to increase sales. It's crucial to keep things like consumer attitudes and buying patterns, your brand strategy, your competitive strategy, and your advertising plan in mind while creating a sales promotion strategy for your company.

Three key functions of sales promotion are as follows: Prospective clients are informed, convinced, and reminded about a business and its products. Even the most valuable brand or product will fail if no one is aware that it is even accessible. Channels of distribution, as we are all aware, require more time to raise awareness. due to the fact that a product must transit through numerous hands before reaching customers. The qualities and accessibility of a producer's items must be disclosed to both channel participants and final consumers. the fierce competition among his items' various supply options. The fierce competition between various products places a great deal of pressure on their producers, forcing them to engage in actions that promote sales. Reminding consumers of a product's existence and ability to fulfil needs is the third goal of promotion.

Effective sales promotion allows a company to market itself because it tells customers what the company does and helps customers recognise it. They can be an affordable approach to broaden customers' purchasing options, reach new audiences, and raise awareness. They should be designed from the beginning of any advertising effort because they are a crucial component.

Although it is possible to conduct sales promotions on a budget, it is always advisable to do so since the support can improve the effectiveness and impact of the sales promotion. Collaboration with other organisations is common while doing sales promotions. This might facilitate the development of connections that are advantageous to both parties and result in sponsorships.

One of the finest strategies for keeping clients and expanding your percentage of their spending is to run sales specials. The promotions can entice customers to test your goods or services, boost their frequency or quantity of purchases, assist in database building, cross-sell, and strengthen and spread your brand. The ability to track and evaluate your performance makes loyalty programmes an efficient sales marketing tool.

A company can gain long-term from creatively and thoughtfully executed sales campaigns. They frequently appear to be last-minute panicky measures, which can portend disaster rather than success. Numerous small one-off promotions with no connection to the overall strategy are preferable than one well-thought-out, extensive promotion. The ultimate objective is sales or transactions, as the phrase suggests. However, it is not always about getting results right away. Promotions can be designed to increase sales over a long period of time within a particular market segment.

Professionals in marketing and advertising as well as academics have been paying closer attention to the topic of sales promotion. This increase in attention can be attributed to two key interrelated factors: first, the nature of sales promotions, which attracts many marketing managers due to their measurable (as opposed to advertising) impact on sales, and second, their historical success as a collection of techniques to boost sales.

However, little research has been done on the sales marketing phenomenon. The majority of businesses are spending more on sales promotions, but because overall promotional budgets are holding relatively flat, it may be concluded that this is happening at the expense of advertising budgets, which are presumably declining.

## **1.2 STATEMENT OF PROBLEM**

The study is to know about different sales promotion techniques used by KAIRALI TMT and its effect.

## **1.4 OBJECTIVES**

- To have a study on how sale promotion affect KAIRALI TMT, particularly in TMT bars
- To understand more about KAIRALI TMT steel bars
- To evaluate the techniques and importance of sale promotion

## **1.5 SIGNIFICANCE OF STUDY**

The study helps to know different effective sales promotion techniques at KAIRALI TMT steel bars. Hence the project entitled "A STUDY ON EFFECTIVE SALES PROMOTION TECHNIQUES AT KAIRALI STEELS &ALLOYS PVT LTD, KANJIKODE PALAKKAD" was undertaken to study the effective sales promotion techniques.

## **1.6 SCOPE OF STUDY**

The study is conducted in KAIRALI STEELS to determine the roles of sales promotion techniques. Interview is the main source of qualitative data in this study. The study required to really more exploratory research collections of secondary information.

## **1.7 Industry Profile**

India's iron and steel industry is expanding as a result of the robust domestic and international demand. India's steel industry has gained international recognition as a result of its fast economic expansion and rising demand from domestic and international markets for goods like real estate, autos, and infrastructure. India is the world's fourth-largest steel production, according to the International Iron and Steel Institute's (IISI) most recent study. Around the world, the steel sector is booming. With each passing day, competition in the steel industry grows. The world-wide development initiatives, particularly the infrastructural improvements and real estate boom around recent developing currents, were primarily responsible for the rising demand for it.

OECD (Organization for Economic Cooperation and Development) nations used to dominate the steel market from the 1960s through the 1980s. The United States of America once controlled the steel industry, but this situation is quickly changing as Indian steel corporations go on an acquisition rampage. However, the rapid rise of developing nations like China, India, and South Korea in this industry has resulted in a decline in the market share of OECD nations. The trade balance is likewise shifting in favour of these nations. With a strong financial position, the steel

sector has seen enormous growth over the past 1.5 decades. The enterprises in this sector are operating at or close to their maximum capacity due to the growing demand for steel from developing nations for their infrastructure initiatives.

### **Processing of iron and steel**

- Mining is the first step in production of iron and steel.
- Earth is excavated deep in search of iron ore.
- Breaking and cutting of iron ore are put in particularly hot fire lead in the embers of fire.

This is done to get the mixture of iron ore and charcoal that is burnt with the help of a blast of air from hand worked bellows.

### **1.7.1 STEEL INDUSTRY**

The first integrated steel mill, Tata Iron & Steel Co (Tata Steel), was established in 1907, giving the Indian iron and steel industry a history of almost a century. It was the first core sector that was totally exempt from the licencing framework, as well as the pricing and distribution regulations (in 1990–1991 and 1992–1992). Globally, the steel industry is growing. It has benefited for a number of years from the unusually strong Asian economy (mainly India and China). The rapid increase in demand for steel is being driven by the economic modernisation processes taking place in these nations.

By removing it from the list of sectors protected for the public sector and exempting it from mandatory licencing requirements, the New Industrial strategy adopted by the Government of India has freed up the iron and steel sector for private investment. Under an automated route, imports of foreign technology and foreign direct investment are freely permitted up to specific limits. This has provided a clear push for the entry, participation, and growth of the private sector in the steel sectors, together with other government efforts. While the current facilities are being updated and extended, numerous new greenfield steel mills have also sprang up around the nation using cutting-edge, cost-effective technologies.

In order to become one of the largest steel plants in the state, the Korean steel company POSCO is investing heavily in mines and steel plants in Orissa.

India's capacity is anticipated to rise from 100 MT to around 112.5 MT in 2016, taking it from fourth to second in the world's production of steel and iron. India also set a 300 MT steel production goal for 2025.

These indications imply that India will overtake China as the world's second-largest producer and consumer of steel. India's usage of stainless steel in the last 15 years has increased significantly, from 6% globally to 14% in India.

### **1.7.2 INDUSTRY STRUCTURE**

Public sector and private sector are the two main divisions of the Indian iron and steel industry. The Indian steel industry can be further classified into two categories of producers based on the routes of production.

#### **Integrated producers**

Those that convert iron ore into steel. There are three major integrated steel players in India, namely Steel Authority of India Limited (SAIL), Tata Iron and Steel Company Limited (TISCO) and Rashtriya Ispat Nigam Limited (RINL).

#### **Secondary producers**

These are the mini steel plants (MSPs), which make steel by melting scrap or sponge iron or a mixture of the two. Essar Steel, Ispat Industries and Lloyds steel are the largest producers of steel through the secondary route.

The country's demand for steel production has soared as a result, and so has output. India has recently ranked among the top global producers of crude steel. All of these elements are thought to be crucial for luring foreign direct investment into the Indian steel sector. The national government of India has also taken a very lax stance toward foreign direct investment coming into the nation. The numerous foreign investment laws have also been loosened by the Indian government. As a result, more global steel goliaths are visiting India to take advantage of the country's plentiful resources. The Indian steel sector has expanded as a result of the increased interest displayed by these businesses. Orissa and Jharkhand would be India's major transportation intersections, according to research and analyses. These two states, which are in India's eastern region, have recently seen a rise in the number of steel projects being undertaken

there. Both the Indian national government and a number of powerful corporations in the Indian steel industry have contributed to the funding of these projects.

## **Carnegie**

The mass manufacture of steel rails for railroad lines at a low cost and with high productivity was Carnegie's greatest innovation. Without the earlier development of Bessemer Steel, this would not have been possible. Thus, scale rather than any technical advancement was Carnegie's "invention."

With a capacity to produce about 2,000 tonnes of pig iron per day, Carnegie Steel was the greatest producer of pig iron, steel rails, and coke in the world in the late 1880s. He acquired the competing Homestead Steel Works in 1888, which included a large facility serviced by tributary coal and iron fields, a 425-mile (685 km) long railway, and a line of lake steamships. With the founding of the Carnegie Steel Company in 1892, Carnegie's and his partners' assets were combined.

By 1889, American steel production had surpassed that of the United Kingdom, and Andrew Carnegie owned a sizable portion of it. Carnegie's portion of the \$40,000,000 in earnings made by Carnegie Bros. & Company alone in 1900 was \$25,000,000. The J. Edgar Thomson Steel Works, the Pittsburgh Bessemer Steel Works, the Lucy Furnaces, the Union Iron Mills, the Union Mill (Wilson, Walker & County), the Keystone Bridge Works, the Hartman Steel Works, the Frick Coke Company, and the Scotia ore mines were all part of Carnegie's expanding empire. Thomson was the former employer of Carnegie and president of the Pennsylvania Railroad. In addition to providing the steel for the historic Eads Bridge project across the Mississippi River in St. Louis, Missouri, Carnegie, through Keystone, also owned shares in it (completed 1874). This project was an important proof-of-concept for steel technology which marked the opening of a new steel market.

## **US Steel**

The US was the world's largest and most affordable producer of steel by 1900, and the market appeared to have no end. Since 1890, output had tripled; nonetheless, it was mostly consumers—not producers—who benefited. Technology that boosts productivity prompted increasing rates of investment in new facilities. Demand, however, declined precipitously during recessions, which

reduced output, prices, and profits. A solution was put out by Carnegie Steel's Charles M. Schwab: consolidation. The group 14, led by J. P. Morgan and Elbert Gary, collaborated with Carnegie and Schwab to build United States Steel, the world's largest non-railroad corporation at the time. Integrated finishing businesses for US Steel (American Tin Plate) (controlled by William Henry "Judge" Moore). Two significant integrated enterprises (American Steel and Wire and National Tube) are included. Federal Steel and Carnegie Steel. It had a \$1.466 billion capitalization and had 41 mines, 1000 miles of railways, and 213 manufacturing facilities. It produced roughly 30% of the world's steel and 66% of the steel produced in America in 1901. Its annual production during World War I outpaced the combined output of all German and AustroHungarian businesses.

After 1970, the business was unable to successfully compete with low-wage producers in other countries. Its sales are being lowered by imports and small mills; also see steel crisis. It turned to oil before being spun off in 2001. In 2002, US Steel finally made a comeback with mills in three American states (plus one in Slovakia) and a workforce of fewer than a tenth of the 168,000 people it had in 1902.

Since 1970, the world's steel sector has undergone significant changes. China, along with India to a lesser level, has become a significant producer and consumer. In Europe, consolidation has happened quickly.

### **Material for development**

Steel consumption has traditionally served as a gauge for gauging human progress and economic growth. Steel is a key component of both industrial and construction products. Stronger alloys and lighter metals have been created. Steel has mostly been replaced by plastic and synthetic materials.

Ores, which are still widely available worldwide, are used to make steel. The time required to convert iron ore into steel has been reduced thanks to technological advancements to just one day. It can still be brought back to the furnaces as scrap to be melted and manufactured into new types of steel, even after being used for decades. It is the material that is recycled the most globally. Nearly half of the steel produced in industrialised nations is recycled. The ongoing improvement of steel grades is a significant additional characteristic. Ten years ago, half of the



steel grades used today were not accessible. Consider the most widely used steel rods or bars, which are utilised as reinforcement in cement concrete. Even in the 1960s, there were plain bars first, then ribbed bars, then cold-twisted deformed bars, and today there are bars that have undergone thermomechanical treatment. Every improvement has increased the construction's durability. Newer grades of steel have been introduced, and older ones have been enhanced.

### **1.7.3 GROWTH OF THE INDUSTRY**

From just 28 million tonnes at the start of the 20th century to 781 million tonnes by its conclusion, global steel production increased dramatically. One of the biggest producers of steel in the world during the 20th century was Bethlehem Steel in Bethlehem, Pennsylvania.

Crude steel output has increased at an incredible rate during the course of the 20th century and is quickly approaching a threshold of 800 million tonnes annually. Nowadays, it is challenging to envision a world without steel.

Steel usage grew at an average annual rate of 3.3% over the 20th century. 37% of the steel produced worldwide in 1900 was produced in the USA. At the turn of the 20th century, Asia produced approximately 40% of the world's industrial output thanks to post-war industrial progress, with Europe (including the former Soviet Union) generating 36% and North America creating 14.5%.

When economies are expanding, steel consumption rises as governments invest in transportation and infrastructure and construct new homes, factories, and buildings. Steel production declines as a result of these failed investments during an economic downturn.

The developing world is now the centre of attention after dominating the developed world for more than a century. Steel is regarded to as a sunset industry in the West. In the developing world, it is still early morning for most people.

At the turn of the century, growing nations like China, Brazil, and India, as well as newly industrialised South Korea, saw increases in steel output. China's steel production and consumption increased gradually in the early years, but eventually gained momentum and began to outpace the rest of the globe by the end of the century. In 2003, China produced 220.1 million tonnes. In 2004 and 2005, respectively, 272.2 and 349.36 million tonnes were produced. That is much above the production in 2005 of Japan at 112.47 million tonnes, the USA at 93.90 million

tonnes and Russia at 66.15 million tonnes. For details of country-wise steel production see Steel production by country.

### **Growth potential of the industry**

Among the other new steel-producing nations, Brazil and South Korea have stabilised at roughly 30 million tonnes and 46–48 million tonnes, respectively. This shifts the industry's attention to India. In order for India to achieve its goal of becoming a developed nation, it will need to increase its annual steel consumption from the current level of 300 kg per person to somewhere close to 300 million tonnes. The distance from the current production level of roughly 50 million tonnes is undoubtedly great, but before estimating its future potential, one must look at its past. Around a million tonnes of steel were being produced in India at the time of its independence in 1947. When the economy was opened up in 1991, the production of steel increased to almost 14 million tonnes. Following then, it doubled in the ensuing ten years, and now it is doing so again over what may be a slightly longer time frame. By 2020, 275 million tonnes of steel are anticipated to be produced in India, which might overtake China as the world's second-largest producer.

The tendency in industrialised nations is toward industry consolidation. There have been numerous international mergers over the years. The emphasis is on new products and technological advancements.

In 2004, the steel industry reached a billion tonne global output. The amount by which it will expand will mostly rely on how much more steel is consumed in the emerging world.

### **Reduction in workforce**

The labor-intensive industry that steel once was has changed. Earlier, it was frequently linked to the idea of a sizable labour force confined to a small town. That has drastically changed. Fewer than ten employees work in a contemporary steel plant. Posco employs 10,000 employees in South Korea to manufacture 28 million tonnes. One can estimate the direct job potential at 1,000 per million tonnes as a general guideline. It might be less. However, as a fundamental industry, steel: According to some estimates, one person-year of employment in the steel industry creates 3.5 person-years of employment elsewhere, leading to significant growth of both upstream and

downstream facilities. Taking all of these into account, there will be a significant increase in employment.

The worldwide steel industry had enormous expansion in the third quarter of the 20th century. In the 15 years after 1960, annual production increased more than three times. Production hit a plateau in the last quarter of the 20th century, increasing by only about 100 million tonnes. Productivity gains followed improvements in production. also see steel crisis The employment in the steel sector fell significantly worldwide between 1974 and 1999. It decreased from 21,000 to 153,000 in the USA. It decreased from 459,000 to 208,000 in Japan. It decreased from 232,000 to 78,000 in Germany. It decreased from 197,000 to 31,000 in the UK. It decreased from 118,000 to 59,000 in Brazil. It decreased from 100,000 to 54,000 in South Africa. South Korea has a low number already. In 1999, there were only 58,000. Over 1,500,000 jobs had been lost by the steel industry globally in the previous 25 years. Around the world, the steel sector is booming. The world's ongoing development initiatives, particularly those involving infrastructural improvements and real estate booms in developing nations, were mostly responsible for the rising demand for it. The United States of America once dominated the steel industry, but this situation is quickly changing.

The world's largest manufacturer of steel, Arcelor Mittal, was created after The Mittal Steel, a company listed in Holland, acquired Arcelor Steel.

With the highest-ever stock price, Tata Steel of India, also known as TISCO (as listed on the BSE), has bought Corus, the fifth-largest steel producer in the world. One of the top goods in the global manufacturing industry is steel, a recycled material. Around the world, the Asian nations each hold a dominant position in the steel producing industry. India, one of the economies with the greatest growth rates in the world, has been regarded as a potential centre for the global steel industry. The global steel sector has been expanding quickly over the years, especially since liberalisation policies have been adopted on a global scale.

A strong financial position has allowed the steel industry to grow significantly during the past 1.5 decades. The enterprises in this sector are operating at or near their maximum capacity due to the growing demand for steel from developing nations for their infrastructure projects.

The era from 1960 to 1974, when the global consumption of steel doubled, is when the steel industry had its greatest dramatic boom. The steel industry grew at a pace of 5.5% between these years, according to records. A period of slowdown in this once-burgeoning market began in 1975 and lasted until 1982. Following this time, the constant slide slowed down, and it began to rise once more in the early 1990s. With each passing day, competition in the steel industry grows. The OECD (Organization for Economic Cooperation and Development) countries used to dominate the steel market from the 1960s to the late 1980s.

However, the rapid rise of developing nations like China, India, and South Korea in this industry has resulted in a decline in the market share of OECD nations. The trade balance is likewise shifting in favour of these nations. The steel industry's primary demand generators are the automotive, construction, infrastructure, oil and gas, and container industries.

The steel industry is also undergoing new technologies to minimise costs while simultaneously maximising output. Thin-slab casting, producing steel in an electric furnace, vacuum degassing, etc. are some of the cutting-edge technologies being used in this sector. Due to the ongoing global development initiatives, the steel industry has the potential to expand at a significantly faster rate in the near future. This industry is now operating close to its maximum capacity, which needs to be raised to keep up with rising demand.

### **Global Scenario**

- In 2011, global crude steel output increased by 6.8% over 2010 to 1527 million tonnes (mt). (Source: World Steel Association; figures based on preliminary findings.)
- China continued to be the world's top producer of crude steel in 2011, followed by Japan (107.6 mt) and the USA (695,5 mt) (86.2 mt). India held down the fourth spot (72.2 mt) for a second year in a row. (Source: WSA; pending data).
- According to the WSA's forecast, apparent steel utilisation would rise by 6.5% to 1,398 mt in 2011 after rising by 15.1% in 2010. It has been predicted that the same will increase by 5.4% more in 2012. China and India will be the main drivers of this expansion, with China's apparent steel consumption predicted to rise by 7.5% and 6%, respectively, in 2011 and 2012. For India, growth in apparent steel use is anticipated to be muted in 2011 at 4.3%, but to pick up in 2012 by 7.9%.

- Per capita finished steel consumption is estimated at 206 kg for world, 427 kg for China.

#### **1.7.4 INDIAN STEEL INDUSTRY**

Due to numerous initiatives implemented by the Indian government, the steel industry has been steadily expanding in India. The Indian steel industry has gained international recognition thanks to the surge in demand from a variety of industries, including infrastructure, real estate, and automobiles. The government's 1991 economic reform initiatives helped the steel industry expand. The public sector dominated the steel industry before the reforms. However, following the changes, this industry was now accessible to both domestic and foreign investment. With the exception of particular regions, the 1991 reforms allowed for the elimination of licencing requirements for capacity creation. Due to significant foreign investment and cutting-edge technology, numerous new steel factories have been built throughout the nation. India's first steel mill was Tata Steel, which opened its doors in 1907. The Bhilai Steel Plant in Chattisgarh, the Rourkela Steel Plant in Orissa, and the Durgapur Steel Plant in West Bengal are just a few of the additional steel plants in the nation. The World Steel Association classified India as the fourthlargest producer of steel in 2010. The importance of the steel sector to the nation's economic development cannot be overstated. By 2015–2016, India is anticipated to overtake China as the world's second-largest producer, with a production volume of 54.5 million tonnes (MT).

The rate of steel consumption on the domestic market has a significant impact on the expansion of the steel industry in India. Infrastructural construction and dwellings need a lot of steel. The growth of India's property market in recent years has increased local demand for steel. The Indian steel industry offers more than 3500 different types of steel. However, these can be divided into two major groups:

- Floating Goods Plates and hot rolled sheets, such as coils and sheets, are examples of flat items. Slabs are the raw material for flat items. The construction of ships is one of the main uses of steel plates.

- Products Long Bars, rods, wires, ropes, and piers are examples of long items. Due to their shapes, these objects are known as lengthy products. Billets and blooms that are long up are used to make long items.

### **Industry statistics**

The first phase, which will end in 2011 or 2012, aims to raise output capacity from 56 million tonnes per year to 124 million tonnes. India currently produces 56 million tonnes of steel, making up over 7% of the total steel produced worldwide. However, it only consumes about 5% of the steel produced worldwide. India is the only nation with a positive overall gain in crude steel output from January to May, at 1.01%.

### **Domestic Scenario**

- From 2007–2008, the Indian steel sector started a new era of expansion, buoyed by a recovering economy and increased steel demand.
- India is now the world's top producer of sponge iron or DRI and ranks fourth in terms of crude steel production because to a rapid increase in production.
- According to the Working Group on Steel for the 12th Plan's study, a number of variables could increase the nation's current estimate of 55 kg per capita steel consumption (provisional). These include, among other things, an estimated investment in infrastructure of close to a trillion dollars, a projected increase in manufacturing from the current 8% to 11–12%, an increase in the number of people living in cities from the current 400 million to 600 million by the year 2030, and the emergence of the rural market for steel, which currently consumes about 10 kg annually thanks to initiatives like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, and Rajiv Gandhi Awaas Yojan
- The National Steel Policy of 2005 anticipated that by 2019–20, steel production will reach 110 million tonnes. However, the Working Group on Steel for the 12th Plan has forecast that the crude steel based on the assessment of the existing ongoing projects, including in greenfield and brownfield. By 2016–17, the county's capacity for steel is anticipated to reach 140 mt. Additionally, it is anticipated that India's steel capacity will surpass 200 mt by 2020 based on the status of MOUS inked by the private producers with the various State Governments.

- The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.

### **Production**

- In 1991 and 1992, respectively, the steel industry was decontrolled and delicensed.
- India is currently the fourth-largest producer of crude steel in the world.
- Total finished steel production for sale in 2010–11 (prov) was 66.01 mt (alloy + non alloy).

### **Demand - Availability Projection**

- Demand - Availability of iron and steel in the country is projected by Ministry of Steel in its Five Yearly Plan documents.
- Gaps in availability are met mostly through imports.
- Interface with consumers by way of a Steel Consumers' Council exists, the meetings of which are conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.
- Cabinet decided that corpus could be recycled for loans to Main producers • Interest on loans to Main Producers is set aside for promotion of R&D on steel etc.
- An Empowered Committee has been set up to guide the R&D effort in this sector.

EGEAF - Was a levy started for reimbursing the price differential cost of inputs used for engineering exporters. Fund was discontinued on 19.2.96.

### **Opportunities for growth of Iron and Steel in Private Sector**

#### **The New Industrial Policy Regime**

The New Industrial Policy removed the Indian iron and steel industry off the list of sectors only available to public investment and (a) allowed for private investment in the sector.

Exempting it from mandatory licencing is option (b). Foreign direct investment and technology imports are now both freely allowed within limited parameters thanks to an automatic channel.

In the liberalised scenario, Ministry of Steel assumes the position of a facilitator, offering general guidance and assistance to new and existing steel mills.

## **1.7.5 THE GROWTH PROFILE**

### **(i) Steel**

The government's other actions, including the liberalisation of industrial policy, have provided the private sector in the steel industry a clear push for entry, expansion, and participation. While the existing units are being upgraded and extended, numerous new steel factories have also sprang up around the nation using cutting-edge, cost-efficient technologies. The demand side's recent quick and steady expansion has also encouraged domestic business owners to launch new Greenfield projects in various states of the nation.

The current global crude steel production capacity is 84 mt, and India, the fourth-largest producer of crude steel, is proud to be able to create a range of grades that are in line with international quality requirements. By 2015–16, the nation is anticipated to overtake China as the world's second-largest producer of crude steel, assuming that all conditions for the expansion of capacity are satisfied.

### **(ii) Pig Iron**

Pig iron is another key product that India produces. With the establishment of numerous facilities in the private sector during liberalisation, India has become a net exporter of pig iron in addition to experiencing a significant decline in imports. 90% of all pig iron produced for export in the nation in 2010–11 was produced by the private sector (provisional). Pig iron output rose from 1.6 mt in 1991–1992 to 5.54 mt in 2010 11 (provisional).

### **(iii) Sponge Iron**

With a vast number of coal-based facilities spread across the nation's mineral-rich states, India is the greatest producer of sponge iron in the world. Over time, the coal-based approach has become a significant contributor, accounting for 78% of the nation's overall output of sponge iron 25. (27 mt; 2010-11; prov.). The capacity for producing sponge iron has also grown over time and is currently 35 mt.

## **1.7.6 MAJOR PLAYERS OF STEEL IN INDIA**

### **Private sector**

1. JSW Steel Ltd



2. Tata Steel Ltd.
3. Jindal steel & Power Ltd. (JSPL)
4. Essar Steel Ltd.
5. Ispat industries Ltd.

### **Public sector**

1. Hindustan Steelworks Construction Ltd. (HSCL)
2. Steel Authority of India Ltd. (SAIL)
3. Metal Scrap Trade Corporation Ltd. (MSTC)
4. Rashtriyaspat Nigam Ltd. (RINL)
5. Ferro Scrap Nigam Ltd. (FSNL)
6. Mecon Ltd.

## **1.8 COMPANY PROFILE**

### **1.8.1 KAIRALI STEELS AND ALLOYS PVT LTD**

The Kairali TMT Fe 500D brand is known for producing high-quality goods that adhere to international standards. The concept to form the Kalliyath group was established over 75 years

ago by the sons of our founder, Kalliyath Abdul Kadher Haji. The sons of Kalliyath Abdul Kadher Haji, Kalliyath Khalid Haji and Kalloyath Bava Haji, succeeded in taking the company to new heights. Currently, the Group is active in a variety of industrial sectors throughout South India, with Dr. Gafoor Kalliyath (Managing Director, Kairali TMT) serving as the group's leader while Humayoon Kalliyath and Pahlisha Kalliyath oversee trading, manufacturing, and marketing.

The ISO 9001:2008-certified Kairali Steel & Alloys Pvt. Ltd. has state-of-the-art equipment and infrastructure. We have also been chosen by SAIL to be the sole conversion agent for them in Kerala due to our cutting-edge facilities. Now, the business rolls TMT bars from 8 mm to 32 mm, which UTM then tests in a physical lab. Nearly 60% of the raw resources come from the Middle East, the United Kingdom, and Africa. Additionally, the business features a melting division with a yearly capacity of 100,000 tonnes. Major public and private initiatives in the area employ our products, which also have a sizable market share. Our goods are sold through a wide network of local dealers, who then sell them to project managers or other end users in the appropriate marketplaces.

In Kerala, Kairali Steels and Alloys has created EQR rebars for the first time, which have the ability to absorb enormous amounts of the energy released during earthquakes without suffering catastrophic damages. The greater strength rebars, known as Kairali TMT 500D, are produced to improve the stability and safety of building structures. It is perfect for important constructions like dams, bridges, high-rises, homes, or any other structure that needs to have a high yield strength without sacrificing elongation qualities. Kairali TMT EQR rebars are uniquely able to combine strength and ductility, making them capable of supporting any seismic designs.

### **Vision**

Our vision is to become the most acknowledged leader from south India by delivering international standards in service and reliability by being friendly to the environment.

### **Mission**

Our mission is to manufacture and deliver products of supreme quality thereby improving the standard of life in south India. We strive constantly to create a better tomorrow by investing in other sectors too.

## **Quality policy**

We management and staff of Kairali Steels And Alloys Pvt Ltd are committed to provide best quality TMT Steel Bars, on time delivery and effective service to achieve total customer satisfaction through innovative training to all our employees.

## **Cutting Edge Manufacturing Process**

Kairali TMT FE 500D bars are made in cutting-edge facilities under the careful supervision of our front-line engineers and metallurgists. High quality imported scrap is used to create the basic steel in a furnace. The least amount of undesired impurities are used to create high-quality ingots, which are then rolled in fully automated rolling mills. The KAIRALI TMT FE 500D steels rolling mill is built to ensure higher operating efficiency and safety in keeping with its commitment to quality and productivity. The entire ingot is delivered in batches from the casting shops, preheated in a reheating furnace, and rolled into various sizes in accordance with the market product size mix plan.

## **True pricing policy**

Kairali TMT Fe 500D Rebars are made with the highest level of engineering to give our customers the maximum amount of safety and strength. Given the confidence our market has in us, we are offering our products at fair prices without sacrificing our quality or production. By comparing our rates and quality to those of other producers, we can reassure the clients about our actual pricing.

### **1.8.2 Salient features of Kairali TMT 500D Rolling Mill**

- Kerala's sole and exclusive fully automated rolling mill
- German advanced technology to satisfy market demand
- An environmentally friendly mill can be made with the help of a well-programmed automatic manufacturing technology that reduces direct contact with hot materials to increase operational safety.
- To provide a better product finish, precise straightness, and constant heat treatment and chilling, a fully imported automated cooling bed is used.

### **1.8.3 Advantage of Kairali TMT 500D EQR Rebars**

- increased bond strength
- reducing the use of steel without compromising safety
- excellent deflection
- enhanced weldability
- Superior properties for resisting earthquakes

### **1.8.4 CORPORATE SOCIAL RESPONSIBILITY**

#### **Women Empowerment: Girl Child Education**

Our goal in education is to inspire a desire for learning and knowledge at every level through

- Quality primary education
- Formal schools
- Girl child education
- Adult education programmes

#### **Awards and Achievements**

- KSIDC (Kerala State Industrial Development Corporation award for excellence in business for 3 years consecutively 2014,2015 and 2016
- Sakthan Thamburan award for excellence in business 2015
- Vyavasaya Ratna award to Mr. Kalliyath Abdul Gafoor in 2009 for excellence in business
- Indo-Arab confederation council excellence in business
- Reporter TV business reliability award 2015 for manufacturer of superior quality TMT steel bars

#### **MD's Message**

This sector is working to achieve its objectives. By putting in high-quality machinery and hiring workers who are trained to operate it, it intends to reduce the cost of energy. By establishing manufacturing facilities in other areas, it also intends to enhance production. In the fiercely competitive worldwide market and supply chain, the organisation has been seeing increasing levels of success. In return, it has achieved total client satisfaction. The business wants to become the industry's success story par excellence. Choosing the best raw materials is essential

to ensuring that the company's products meet the highest international standards. To satisfy all of the customers' needs, the factory aims to deliver the greatest craftsmanship.

### **1.8.5 BOARD OF DIRECTORS**

MANAGING DIRECTOR - K.ABDUL GAFOOR

DIRECTORS. - K.HUMAYOON, K.PAHALISH, ASKHOKLAL, V.ASIYA,  
P.T.AYSHA

AUDITORS. - M/S. WARRIER&WARRIER

SECRETARY. - P.K RAVINDRA VARMA

BANKERS - STATE BANK OF TRAVANCORE(CALICUT)

### **MANUFACTURING UNIT**

KAIRALI TMT FE 500 bars are made in cutting-edge facilities under the careful supervision of our front-line engineers and metallurgists. High quality imported scrap is used to create the basic steel in a furnace. The least amount of undesired impurities are used to create high-quality ingots, which are then rolled in fully automated rolling mills. The KAIRALI TMT FE 500 steels rolling mill is built to ensure higher operating efficiency and safety in keeping with its commitment to quality and productivity. The complete amount of ingots is delivered in batches from the casting shops, preheated in a reheating furnace, and rolled into various sizes in accordance with the market product size mix plan.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 LITERATURE REVIEW**

Promotion is a tool used by retailers and manufacturers to invite consumers to buy more or attempt to service or product. Used as a result of sales promotion for storing large amounts, inviting many new customers and more sales increase. Sales promotion may be good-looking for highly promotion prone customers for reason beyond price savings indicated that

Chandon, Wan, and Laurent (2000). Many consumers switch brands, so that they can receive more offers great mimic and promote a smart buyer of their own self-perception, and tend these consumers in a positive and promotion, and these consumers are making an effort to try a new product or service were promoted. For example, lower prices for a limited period in order to attract more consumers a new price promotion qualifies. Sales promotion, any activity that is being used by the producer to promote trade (retailer, whole seller, or network partners), as well as for customers to buy the brand and activate aggressive sales force to sell. According to (Totten & Block, 1994) Alpha the term sale promotion refers to numerous kind of selling incentives and technique indented to yield urgent sales effects.

Purchasing behaviour, consumer's generally endless demand to meet their desires and satisfaction of getting something new or better than each individual his own behaviour and attitudes and thinking while choosing the products, services and purchasing decisions. Therefore, there is a large body of literature, which examined and reported consumer buying behaviour, studies have shown that a lot of factors can affect consumer behaviour, whether to purchase or not to purchase the merchandise. Most of the day by day life actions dominated by merchandise buying behaviour and also practice which gained from the place such as shopping centres, city centre, shops, entertaining park, sightseeing centre and so on, where some motivating radius can be motivated said by Smelser and Baltes (2001). According to William (2002) shown that social class has significant determination on buy assessment criteria. The creation of attitude, inspiration, value orientation, and earnings, and the level of socialization during childhood and education will affect the person's social class. Social class of an individual not directly shows that low income would basis limited choice when making buy decision said by Yip (2003). According to (Naimah & Tan, 1999) High purchasing power,

salesperson and sales surroundings were along with three key factors which influenced impulsive clothes buying practice among women customer (Rizwan et al., 2013). Sales promotion is a set of stimuli that are presented intermittently, is also working to strengthen the propaganda activities to buy a particular product. Designed sales promotion techniques that have a direct impact on the purchasing behaviour. The objectives will be achieved sales promotion to a large extent when it is done sporadically, when the consumer does not expect. If the consumer is able to anticipate when conducting sales promotion will be held, the results fall. It is therefore necessary for the consumer to not be able to anticipate sales promotion, and therefore does not include these incentives in the properties of the product. However, this does not mean that the sales promotion is something improvised by the institution. Sales promotion must be properly planned, organized and integrated into the marketing plan of the institution.

According to (Nagar, 2009) it has been recognized in literature that only customers with repeat purchases are profitable. Is not this all repeat purchase online to engage consumers with the brand? However, consumer participation is important to repeat purchase. Therefore, operators must develop marketing programs that will not only enhance customer engagement, but also encourage repeat purchases. One of the functions of sales promotion not only to promote the participation of consumers, but to encourage repeat purchases. Sales promotion has effects on several aspect of customer's buying choices such as brand choice, buying time, quantity and brand moving (Nijs, Dekimpe, Steenkamps and Hanssens, 2001); clients ' sympathy to price (Bridges, Briesch and Yim, 2006).

The objective to use Belk's form in this research is acceptable based on the following reasons. First, in Belk's literature (Belk, 1975), the writer gathered and revised situational variables



used by other investigators (e.g. Mehrabian and Russell, 1974; Kasmar, 1970; Sells, 1963) to develop theory that defines the motivation-organism-response (S-O-R), which is related to “array of situational scopes. “According to Shimp (2003), sales promotion denotes to any incentive used by a producer to induce the trade and/or shoppers to buy a brand and to encourage the sales force to aggressively sell it. The influence of sales promotions on the customer will also depend on the consumer’s features. Sales promotion is a set of stimuli that are presented intermittently, is also working to strengthen the propaganda activities to buy a particular product. Designed sales promotion techniques that have a direct impact on the purchasing behaviour. The objectives will be achieved sales promotion to a large extent when it is done sporadically, when the customer does not imagine. If the customer is able to anticipate when conducting sales promotion will be held, the results fall. Considering the description of American Marketing Association, sales promotion is one of the marketing technique

focusing on retailers, wholesalers and end consumers, which can be considered for a predetermined phase, targeting to motivate consumer demands (DeVecchio et al., 2006). Sales promotions intend to reveal consumers’ needs and give them encouragement to use new products (Oly Ndubisi & Tung Moi, 2005). Similarly, sales promotions are beneficial for consumers with plenty of benefits, one of major benefit is monetary economy though convenience, quality, value and entertainment can also be appealed (Chandon et al., 2000). Incentives based on price (one of major type of sales promotion) being non-monetary technique became popular over the period of time (Buil et al., 2013). Sales promotion

carries such leverage to sustain the sales volume and profitability of an organization (Plc & Aghara, 2018).

Sales promotion (SP) is the utmost element in marketing mix and for the marketer's toolkit at the same time. Statistically,

packaging companies represents that approximately 75% budget comprised by sales promotion (Blattberg & Neslin, 1989). Most of the studies conclude that sales promotion pointedly impacts on consumers' behavior and the purchase decision but the effect of promotional elements might be different (Ye & Zhang, 2014). Sales promotion techniques are meant to increase the sales of products as a preferable mode (Badgaiyan & Verma, 2015). The high investment in promotional activities indicates the value of sales promotion to business activities (D'Astous et al., 2009).

Sales promotion contains different kind of incentive tools, generally short-term, those used to stimulate dealers' and consumers to speed up the buying process or to enhance sales quantities (Kotler, 1991). The effectiveness of sales promotions depends upon other variables, the specific and individual type of sales promotion which is being used in particular sales promotion campaign (DeVecchio et al., 2006). Similarly, the sales promotion nature hedonic or utilitarian plays a vital role to determine consumers' reactions and selection process (Büttner et al., 2015). Several researchers have been conducted earlier on the effect of sales promotions towards consumer values (Teck Weng

& Cyril de Run, 2013), behavior and attitude (Alvarez & Casielles, 2005) although, few academic researchers are available on success of sales promotion techniques regardless of being evident on increasing importance of sales

promotions as compare to other marketing techniques like advertising (Peattie, 1998). However, the effectiveness and success of sales promotions towards consumer attitude has yet to be explained more adequately, as plenty of possible justifications have been investigated for a latent negative relationship (Blattberg & Neslin, 1989) tested based on self-

perception theory (Dodson et al., 1978), dissonance theory (Doob et al., 1969), and attribution theory (Kelley & Michela, 1980). The collective results of these researches show that frequent usage of consumer promotions for a longer duration, might be resulting lesser involved consumer behavior towards the particular brand. Attribution theory proposes, the questions carrying the

characteristics of sales promotion affect the attributions reacted by consumers' behavior (Raghubir & Corfman, 1999). It means, different kind of sales promotion fulfill the different needs of consumers as per the

deliverable benefits (Buckinx et al., 2004). This research follows the behavioral learning theory; therefore, it will not be out of context to enlighten upon the theory with the help of literature. Sales promotion is one of the widely used method of promoting the product and services of the company. The sales promotion is the second most method of communication with the consumer after advertising. The elements that are part of the promotional mix are advertising, direct

marketing and personal selling or in other words it is called door to door sales. According to the research of (Adeniran et al., 2016), promotion of sales is directed towards touching the hearts of consumers. Furthermore, they One of the benefits which sales promotion provides is that it achieves its targeted goals of

the brand by selling the item in no time. The second advantage is that it promotes or encourages the consumer to try the product due to promotional activities. By this, there is a high chance that the consumer would switch from the brand and become loyal to this new brand. It can be said that although this is good benefits of sales promotion, but there are drawbacks of too. One of the disadvantages of doing sales promotional activities is that it is a short-term strategy (Adeniran et al., 2016). The company sales are increased for short period

and hence maximum output of generating profits cannot be achieved from this strategy. Besides this, consumers may have high expectation of having promotional activities on a continuous basis. This would make consumers tempted and frustrated as they would only be loyal to the brand when these activities are launched. This strategy not only leads to lose of

consumer but also damages the brand image (Ismail & Siddiqui, 2019). Sales promotional

activities are mostly done on outdoor. The activities are carried out where there is large number of consumer traffic such as malls, airports, concerts and amusement parks. The location and targeting of the right consumer are the key for the success of sales promotion.

Some of the examples of sales promotion is that when a consumer buys a pair of shoes, he is given a pair of socks free. This would bring delight on the consumer perspective and hence would be willing to share his experience with his family and friends. This would not only bring the consumer back to the brand but would also spread good word of mouth to the new consumers in that area. The sales promotion tools involve discounts, coupons, sampling, The sampling is usually done when a new product or service-oriented business is launched in the market. The free sampling is an encouragement to the consumer so that they can get to know

the companies offering. The free sampling also helps the sales team in order to give better feedback to the company and channel their marketing strategies. Exchange is another type of promotion which enables the consumer to buy a different product from the one purchased

before.

## **2.2 THEORETICAL BACKGROUND**

The core of economic life in any community is the production and selling of commodities and services. To fulfil their obligations to their stakeholders—owners, customers, and society at large—all firms carry out these two fundamental tasks. They produce a benefit that economists refer to as utility, which is a good or service's capacity to satisfy wants. Form, time, place, and ownership utility are the four fundamental categories. When a business transforms raw materials and component inputs into finished goods and services, form utility is produced. Although marketing contributes significant inputs that define consumer preferences, the production function of the company is in charge of actually producing form utility. The time, place, and ownership

utilities are created by the marketing function. When consumers discover that goods and services are offered when and where they want to buy them, time and place utility occurs. Online stores that use a format highlight the value of time. The main goal of vending machines is to give customers a convenient location to buy food and soft drinks. Ownership utility is produced by the transfer of title to goods or services at the time of purchase.

### **2.2.1 Meaning of Marketing**

Through the distribution of worthwhile goods and services, marketing is a customer-centered strategy that seeks to satisfy their demands. Customers, goods, and services come together through marketing. Identification of consumer wants and satisfaction form the foundation of the marketing concept. Four factors combine to form the marketing process: product development, price determination, product distribution via a channel that will bring the product to the customer, location, and promotion (advertising) strategy.

The success of an organisation is significantly influenced by the important business function of marketing. It enables businesses to recognise client demands and create products and services that address them. In a competitive market context, organisations that use effective marketing tactics can differentiate their goods and services. Depending on how well a company executes its marketing plans, it will either succeed or fail. Without a marketing mindset, companies focus more on their products than their customers, which could lead to unfavourable products.

Many people link marketing and selling, or believe that marketing activities begin after goods and services are produced, as a result of constant exposure to advertising and personal selling. Selling and advertising are certainly included in marketing, but it also involves a lot more. Analyzing consumer demands, obtaining data necessary for designing and producing products or services that meet consumer expectations, and establishing and sustaining relationships with clients and suppliers are all part of marketing.

### **2.2.2 Definition of marketing**

The American Marketing Association (AMA) defines marketing as "an organisational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders".

Marketing is a broad phrase that encompasses all tools and actions required to steer and facilitate the flow of products and services from producers to consumers during the distribution process. In order for an organisation to successfully sell a good or service that people not only want, but are also ready to pay for, it must go through a process known as marketing.

Another definition goes as 'process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Simply said, marketing is the act of providing customers with what they want while making a profit. Many modern definitions, such "marketing is the act of developing and resolving trade relationships" and "marketing is the process in which exchanges occur among persons and social groupings," further support the idea that exchange is important to marketing. The exchange process, in which two or more parties transfer valuable goods or services to one another in order to meet perceived wants, is the core of marketing. People frequently exchange money for tangible objects in transactions. They exchange intangible services in others. In marketing, transactions are carried out not merely between any two parties, but usually always between two or more parties, one or more of whom play the buyer, and one or more who play the seller. There is a standard set of circumstances in the market, namely.

- 1) More buyers than vendors
- 2) Most sellers or groups of sellers must survive or be driven out of business by the combined economic power of even a small portion of the buyers.
- 3)As a result, sellers compete to attract as many customers as possible to their products rather than those of rival sellers. Finally and Quite Interesting.
- 4) The sellers are also influenced, regularly changing their behaviours to have more success and draw in more customers over time.

This helps them compete with others and attract the greatest number of buyers. All organisational operations are infused with the broadened concept of marketing activities. It is assumed that the marketing initiative would adhere to the entire company strategy, move forward in accordance with moral standards, and successfully advance the interests of the firm as well as society.

The idea also defines marketing: variables like product, pricing, promotion, and distribution work together to give customers what they want. Satisfaction. Additionally, it is based on the supposition that the company first identifies and studies the consumer categories that it would afterwards serve through its production and marketing initiatives. In business, long-term, mutually satisfied sales, purchases, and other contacts with customers and suppliers are prioritised, and the concept's emphasis on developing and maintaining relationships is consistent with this. Last but not least, it acknowledges that marketing concepts and strategies apply to both profit-driven and nonprofit organisations, product and service companies, local and international organisations, as well as organisations that target customers and other enterprises.

The practise of promoting and selling goods and services, including market analysis and advertising, is referred to as marketing. Today, marketing is something that every company and organisation must use in its growth strategy. Unaware that they are doing it, many businesses utilise marketing strategies to promote themselves and boost sales of their goods and services. One of the most important components of organisations today is marketing.

### **2.2.3 Evolution of Marketing:**

In the early days of marketing, there was a barter system. In an attempt to exchange his surplus goods for the goods he needed, the caveman approached and offered his surplus goods in exchange. Humans were in the nomadic hunter stage at that time. Humans were merely hunters or gatherers of food during this prehistoric era. Then came the New Stone Age. Human beings were self-sufficient during the period of a backward economy. Family groups were self-sufficient during this age of agrarianism or a backward economy, producing the necessities like food, clothing, housing, and tools.

With the passage of time, the division of labour started to take effect, and man began creating more than he required. The surplus was traded for essential supplies. In quest of persons who had surplus items to trade, they looked for those who had surplus commodities of their own. Finding those who required the surplus product turned into a time-consuming task because resources had to be wasted.

As a result, the populace gathered at local marketplaces, where products were sold. And with time, it changed into stores, bazaars, etc. The populace specialised in production in accordance with their

areas of interest. At this point, specialists like as carpenters and weavers began to emerge. The concept of marketing was created by the appearance of specialisation.

In the pre-industrial era, the challenges of the barter system were eliminated by the adoption of widespread means of exchange, such as sheep, cows, pigs, slaves, shells, and other common items. Then, metals like copper, iron, etc. took their place, and eventually, silver, gold, etc. became the primary means of commerce.

At this point, producers started producing the goods in greater quantities, hired labourers to work in their factories, and middlemen—through whom sales were carried out—began to emerge. As the population of the wealthy class grew, Kotler writes, "As the size of wealthy class increased, some goods and shops emerged that cater to the rich, and here some of the characteristics of consumer oriented retailing first appeared.

But overall, early capitalism was mostly based on a system of scarcity, so there wasn't much incentive to pay attention to customer needs and wants or to go out of one's way to satisfy them. The concept of marketing was further enlarged by the appearance of selling specialisation. The process of exchanging economic products and the network of specialised organisations that enabled exchange were both referred to as marketing.

During the industrial era, handicraft businesses started to pop up in factories. Similarly, a lot of factories were built, and rural areas turned into urban areas that attracted people. People initially spent their lives working in factories, which facilitated mass production. Home production was thus replaced by the factory system, and manual labour was then replaced by machinery.

The production was on a massive scale as a result of the introduction of new innovations and machines. Mass productions emerged with the start of the industrial revolution. Large-scale consumption came after mass manufacturing. New marketing strategies emerged to help the products get into the hands of the intended consumer. The modern marketing system was developed as a result of the industrial revolution.

Briefly said, traditional marketing has existed forever. There weren't many or very few wants. After consumption, any leftover product was traded in a nearby market. Over time, farmers started to focus more on selling, storing, transporting, offering credit, etc., which gave middlemen a chance to fulfil their crucial function.



India was importing both capital and consumer products around World War II, and at that time, the marketing departments were largely passive. However, after India gained its independence, imports of consumer products were also restricted. Import substitution was mentioned. New goods entered the market. Many different types of consumer items that were previously imported started to be produced in India. Numerous producers created new products, and others produced similar goods. Mass productions and rivalry then ensued. At this point, marketing functions began to enlarge.

The phenomena and practise of marketing were not invented in the modern era. The development of marketing has gone through several stages. These are the stages:

1. Barter Stage	This stage is regarded as the beginning of the development of marketing. People traded things for goods at this time without employing a medium of exchange like money. Bartering has a long history that dates back to 6000 BC. During the 1930s Great Depression, when money was scarce, barter services gained popularity.
2. Production Stage	From the beginning of capitalism until the middle of the 1950s, production-oriented marketing was dominant. Production problems were a big challenge at the time for corporate enterprises. The key characteristics of the production stage are the small number of product lines, the pricing based on production and distribution costs, the little amount of research, and the lack of aggressive marketing and advertising tactics.

3. Sale Stage	<p>From the middle of the 1950s until the start of the 1970s, according to estimates, was the sales orientation stage of marketing. Following the conclusion of the production orientation, this phase began. This stage emerged as a result of the increased demand for consumer goods following World War II. During this time, advertisements and other forms of sales promotion were frequently used. Packaging and labelling were employed more for advertising than for product protection. Pricing was determined by comparing it to what was offered by competitors.</p>
4. Marketing Stage	<p>Sales orientation and production orientation of marketing were replaced by marketing orientation. It is regarded as the contemporary phase or approach of marketing. The 1970s saw the development of this marketing strategy. A marketing-focused company's business decisions are driven by consumer requirements and desires.</p> <p>The following are the key characteristics of marketing orientation:</p> <p>1) Determining the wants and needs of the consumer.</p>
	<p>2) Comprehensive market analysis.</p> <p>3) Wide range of products.</p> <p>4) Assessment of the advantages of the products for the customers.</p> <p>5) Post-purchase services</p> <p>6) Product invention and modification</p> <p>7) Constantly raising the calibre of the output.</p> <p>8) Techniques for enhancing customer interactions and satisfaction.</p>

### 2.2.4 Scope of Marketing

#### 1. Marketing is Consumer-Oriented Process:

A business exists to meet the needs of people. Therefore, it is crucial that the company first ascertain the needs of the clients. Only products that best meet consumer needs should be manufactured. According to Levitt, we must learn far more about what the buyer is eager to buy rather than attempting to advertise what is easy for us to provide.

## **2. Market Starts and Ends with the Customer (C2C):**

Before manufacturing ever begins, marketing begins. Understanding what clients actually want is crucial in consumer-oriented marketing. Only after gathering data on clients' likes, styles, buying habits, etc., is it feasible to comprehend what they desire.

Therefore, for the marketing function to be successful, a proper information system must be established. The firm benefits from marketing research to better understand client needs. Reliable information aids in the production of the proper items that consumers require. This benefits the firm and the clients by ensuring their satisfaction.

## **3. Marketing is the Guiding Element of Business:**

The goal of marketing was originally thought to be putting products and services into the hands of consumers. Today, marketing encompasses much more. The goal of modern marketing is to advance the nation's economy and raise the standard of living for its citizens. The many actions involved in the marketing process are integrated in modern marketing. The goal of contemporary marketing is to reach consumers as quickly and inexpensively as possible.

## **4. Marketing is a System:**

In order to reach customers, marketing has traditionally been seen as an ongoing or dynamic process including a variety of interconnected and interacting activities. It takes in useful information in the form of input from the environment (clients). Employing these useful details, organisations provide the needed goods and services to meet client wants, generating profit in the process.

## **5. Marketing is a Goal-Oriented Process:**

Like any other company activity, marketing aims to accomplish certain worthwhile objectives. The fundamental goal of marketing is to increase profits significantly by satisfying customers. The three goals of marketing are an increase in sales volume, a rise in profits, and an increase

in growth. Organizations should take on more social responsibility as they work toward these goals.

### **6. Marketing is a Process of Exchange:**

Essentially, marketing is a trade activity. The exchange of products and services takes place between customers and sellers. Organizations deliver goods and services to clients, who then pay the company for those goods and services. Information exchange is yet another significant marketing phenomenon.

The sharing of marketing data between buyers and sellers. Knowledge is power. The cornerstone for an organization's success is information.

### **7. Marketing is a Process:**

Various tasks that must be completed in the proper order are involved in marketing. The relationships between various activities should be appropriate. This procedure needs to be adaptable. Any modifications to social and environmental aspects have an impact on the marketing process. Therefore, marketing management should keep an eye on these changes.

To accommodate these modifications, the procedure should be enhanced.

## **2.2.5 Elements of a marketing strategy and its environmental framework**

Consumers are the main focus of marketing efforts. As a result, a market-driven business starts off by providing a thorough description of its target market, or the demographic that the company has chosen to focus its marketing efforts on. Following the selection of a target market, marketers focus their efforts on fulfilling that target segment profitably. The four categories of product, pricing, place (distribution), and promotion can be split into marketing decision making, despite the fact that they must manage numerous variables to accomplish this (marketing communication). The marketing mix is made up of these four marketing principles. A particular target market's needs and preferences are blended with the four Ps. These are the four factors that a marketer can use and manage in various ways to add value for clients. Additionally, the contextual influences in the outer circle of that diagram influence decisions regarding the 4 Ps. Environmental variables frequently escape the control of marketers, in contrast to the parts of the controllable marketing mix. Making decisions about customer service, brand name, packaging, labelling, product life cycles, and new product development are all part of the product strategy. It also involves deciding

what products and services the company should offer to a specific consumer group. The pricing strategy focuses on the techniques for establishing reasonable and profitable prices. To make sure their products are offered to customers in the right quantity at the appropriate times and locations, marketers create place (distribution) strategies. Distribution operations and marketing intermediaries play a role in location-related decisions (channel members). In the promotional strategy, marketers combine the many components of promotion to reach their target market in the most efficient way possible. Many businesses coordinate all promotional efforts using a strategy known as Integrate Marketing Communications (IMC), which gives the consumer a cohesive, consistent, and persuasive message. Target markets and other elements of the marketing mix are not choices that marketers make in a vacuum. They must consider how the competitive, political, economic, technological, and social-cultural components of the five marketing environmental factors are dynamic. For the same consumers, marketers compete. Therefore, changes in the competitive environment will have a wide range of effects. In the political-legal environment, there are governing and regulatory authorities that set rules on marketers. For a marketer to be a good and responsible corporate citizen, they must follow the law of the land. The target market's attitude toward decisions to buy or save, to buy now or later, etc., is influenced by the economic climate. For a marketer using ground-breaking technology, the technological environment can be life or death. Because of the shifting technology landscape, marketers frequently advance quickly or fall behind. For marketers to successfully "connect" with their target consumer, the social-cultural environment provides indications. Serious implications will result from the marketer's failure to comprehend the social and cultural environment.

### **2.2.6 Functions of Marketing**

As products and services flow from manufacturer to consumer, the marketing process completes a number of tasks. Not every firm performs all of these tasks or duties. However, any business that wishes to properly run its marketing systems must implement them. Purchasing, selling, transporting, storing, standardising and grading, financing, taking risks, and securing marketing information are among the eight universal duties that marketing is in charge of carrying out. Manufacturing companies do some tasks, while marketing intermediaries like wholesalers and retailers handle others. Purchase and sale are examples of the first two exchange-related functions. Physical distribution operations include moving and storing. Standardizing and grading, financing,

taking risks, and securing market information are the final four marketing functions. These activities are frequently referred to as "facilitating functions" because they help the marketer carry out the exchange and physical distribution activities.

### **1. Selling:**

It forms the basis of marketing. The potential customers' ability to actually acquire an article is of concern. The ownership of the products is transferred to the buyer in this situation. The ultimate goal of earning profit is achieved in large part by selling. Sales promotion, advertising, publicity, and personal selling all help to improve selling. The amount of a company's profits and profitability is dependent on how effectively and efficiently it sells.

### **2. Buying and Assembling:**

It concerns what to purchase, of what kind, from whom, in what quantity, at what time, and for what cost. Businesses make purchases in order to boost sales or save costs. Quality, service, and price have a big impact on purchasing agents.

The demands and desires of the clients are what guide the purchases that the retailers make for resale. A manufacturer purchases supplies such as raw materials and spare components as well as machinery and other equipment needed for production and other related tasks. A wholesaler purchases goods to resell to merchants.

A product is assembled by purchasing all essential component parts and fitting them together. An assembly line is a production line that only performs assembly tasks. The assembly process begins with the arrival of individual component parts at the worksite and the distribution of these pieces for assembly or sub-assembly.

An assembly line is a set up of people and equipment where each person has a specific task and the work is handed from one worker to the next until the job is finished. However, the term "fabrication lines" refers to a production line that includes processes that shape or alter the physical and occasionally chemical properties of the involved product.

### **3. Transportation:**

Transport refers to the physical process of moving products from the locations where they are produced to the locations where they are required for consumption. Place and utility are created. From the acquisition of raw materials through the delivery of final goods to the locations of the

customers, transportation is crucial. Rail, trucks, rivers, pipelines, and air travel are the main modes of transportation used in marketing.

Several factors, including suitability, speed, and cost, are taken into account while selecting the mode of transportation. Either the buyer or the seller may handle the transportation. The type and extent of the transportation infrastructure determines the size of the market, the regularity of supply, the preservation of consistent prices, and the ease of access to the supplier or seller.

#### **4. Storage:**

From the time goods are produced until they are needed by customers (in the case of finished products) or by the production department (in the case of raw materials and stores), it entails holding the goods in proper (i.e., usable or saleable) condition. Storing the goods prevents them from degrading and aids in carrying over surplus for future consumption or use in production.

Warehousing is the practise of keeping goods in a variety of warehouses spread out across the country. Warehouses should be located in areas where distribution of commodities is likely to be simpler and less expensive. Furthermore, the location of warehouses is crucial for meeting urgent demand. When production or consumption are regional, storing becomes important.

#### **5. Standardization and Grading:**

Standardization and grading are the additional processes that support marketing. Standardization refers to the creation of guidelines or requirements for goods based on the fundamental physical characteristics of any good or service.

This could involve either quality or quantity (such as weight or size). Additionally, the government may establish some criteria, like in the case of agricultural products. A standard communicates the items' uniformity.

#### **6. Financing:**

It entails the use of capital to satisfy the financial needs of businesses engaged in a variety of marketing operations. The services to give the credit and money required, the costs of getting goods into the hands of the final user are frequently referred to as the finance function in marketing.

Working capital and fixed capital are required for marketing, and these funds can be obtained from three sources: owned capital, bank loans, and advance and trade credit. (Offered by manufacturers

to wholesalers and by the wholesalers to retailers.) In other words, there are several types of finances, such as short-, medium-, and long-term finances.

### **7. Risk Taking:**

Risk is the potential for loss due to future unforeseeable events. The term "risk bearing" in marketing refers to the financial risk interest in the ownership of goods held for an anticipated demand, including the potential losses due to a decline in prices and the losses from spoilage, depreciation, obsolescence, fire and floods, or any other loss that may occur with the passage of time. There are several risks involved from the point of producing things to the point of selling them because of shifting market conditions, natural disasters, and human variables. Risks can also result from innovations or changes in fashion. Governmental legislative actions could potentially be risky. While travelling, there are potential risks.

They might also be the result of accidents, deterioration, decay, or changes in their supply and demand, which causes price fluctuations. Place risk, time risk, physical risk, etc. are common terms used to describe the many risks.

### **8. Market Information:**

Only recently has the significance of this marketing strategy's facilitation function been acknowledged. Only accurate and timely market information can serve as a solid basis for marketing decisions. Correct facts and knowledge lower the aforementioned dangers, which in turn lowers costs. A lot of information must be provided in a timely, accurate, and efficient manner for modern marketing. A seller uses marketing information to choose when to sell, how much to charge, who their competitors are, etc. Marketing research has developed into a separate branch of marketing as a result of marketing information and its proper analysis.

Businesses collect data and facts internally from sources like records, salespeople, and market research department findings. They then analyse and interpret this data. Additionally, they look for data and information from outside sources including business journals, official reports, and private research companies.

Even final consumers require market knowledge regarding product availability, quality requirements, pricing, and available after-sale services. Sales representatives, media advertisements, colleagues, etc. are typical sources for consumers.



## 2.2.7 Marketing Mix

Following the selection of a target market, marketers focus their efforts on providing that segment with a profit. Marketing decision-making may be broken down into four categories: product, price, place (distribution), and promotion, despite the fact that they must influence numerous variables to accomplish this (marketing communication). The four components are combined to create the marketing mix, which is tailored to the wants and needs of a particular target market. These are the four elements that a marketer can combine in various ways to offer clients value.

According to Philip Kotler “Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response”. The four "Ps"—product, pricing, place (distribution), and promotion—are considered the controllable variables in this situation. Every business aspires to develop a combination of the four Ps that may satisfy customers to the highest degree while also achieving its organisational goals. As a result, this mix is put together with the demands of target customers in mind, and it differs from organisation to organisation based on its resources and marketing goals. Now, let's quickly review the four elements of the marketing mix.

<b>Product</b>	Product is the fundamental component of the marketing mix because it is a basic requirement for all other components. Of all the marketing activities, it is the most crucial and central. Planning and creating the ideal goods and services that the business will market is part of managing the product. A manufacturer develops the various aspects of a product, such as its name, brand, design, colour, packaging, labelling, usage, guarantee, warranty, weight, and post-sale services, under the heading of product planning and development. All of them make up the marketing mix.
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<p><b>Price</b></p>	<p>The price of a product reflects the real sum that the consumer is anticipated to spend. A product's pricing has a direct impact on how well it sells. Instead of an accurate costing of the goods being offered, this is related to how the buyer perceives the worth of the offering. A product won't sell if its price is either higher or lower than its perceived worth. Because of this, it is crucial to comprehend how a buyer perceives what you are selling. A product may be successfully priced higher than its objective monetary value if there is a positive consumer value.</p>
<p><b>Place</b></p>	<p>Place or placement has to do with how the customer will receive the product. The distribution component of placement is crucial. A product's channel of distribution will be determined with the aid of the</p>
	<p>placement strategy. The way a product is accessed by the customer must support the overall product strategy.</p>
<p><b>Promotion</b></p>	<p>Promotion is the umbrella term for all marketing communication methods and tactics. Public relations, special offers, and advertising are a few examples of them. In order for a marketing channel to be effective, it must be appropriate for the product being sold, its price, and the target audience. Marketing and promotion should be distinguished from one another. The only part of marketing that deals with communication is promotion.</p>

## **2.2.8 Concepts of Marketing**

According to Arthur P. Felton, “Marketing concepts is a corporate state of mind that insists on the integration and coordination of all marketing functions, which in turn are welded with all the other corporate functions, for the basic objective of producing maximum long range corporate profits.”

### **i)Production Concept**

According to the concept, consumers would favour things that are readily available and very affordable. Here, production and technology control crucial individuals' thought processes. They think that by controlling manufacturing, marketing can be controlled. According to the theory, consumers would typically support goods that are produced in large quantities at low unit costs. Naturally, all efforts in these institutions are directed toward production. Organizations that support this idea are driven to generate as much as they can. Although they increase manufacturing efficiency, they do not receive the finest customer support. Customers after all are inspired by a choice of alternatives in their purchasing.

### **ii)Product Concept**

The production concept differs slightly from the product concept. The product concept attempts to reach the same end by product excellence—improved products, new products, and ideal designed and manufactured products—in contrast to the production concept, which seeks to win markets and profits through large volume of production and cheap unit costs. Additionally, it emphasises quality control. Product concept-driven businesses have the belief that customers always choose high-quality goods. They put their focus on producing excellent products. To create products of the highest quality, they invest a lot of time and money in research and development. However, these businesses frequently fail on the market as a result of a lack of thorough market and customer research. They completely lose focus on the consumer for whom the product is made and virtually forget about them, thus they are unable to determine what the customers genuinely want and would be happy to accept. **iii)Sales Concept**

According to the sales or selling concept, unless an organisation makes a significant effort to market and sell its product, people won't purchase enough of it. It cannot anticipate that customers will pick up its things on their own. The business must actively promote its goods. The tools that increase sales are aggressive promotion, advertising, price reductions, publicity, and public relations. Sales without satisfied customers, however, can ultimately be counterproductive.

#### **iv)Marketing Concept**

The marketing idea is the most cutting-edge marketing concept to have developed throughout the years, and it represents a fundamentally different way of doing business.

The organisation may avoid "marketing myopia" only by using marketing concepts. The other concepts, including the exchange idea, manufacturing concept, product concept, and selling concept, are all affected by marketing myopia in one way or another.

#### **v)Societal Marketing Concept**

According to the societal marketing concept, the business should ascertain the target market's needs, wants, and interests. Then, it should provide customers with exceptional value in a way that sustains and enhances their well-being and the welfare of society. In an era with environmental issues, resource shortages, rapid population expansion, global economic issues, and neglected social services, it challenges whether the idea of the pure market is appropriate. Think at how most industries just dispose of their waste in the soil or let it flow into the river, polluting both the water and the soil. People suffer from numerous health-related issues as a result of this. The societal marketing notion came into being as a result of these worries.

According to the societal marketing concept, businesspeople should balance three factors when determining their marketing strategies: firm earnings, consumer desires, and societal interests.

### **2.2.9 Importance / benefits of Marketing**

Studying how marketing improves society and the company will help you understand how important it is. The following benefits are listed:

## **1. Benefits to the Society**

According to Philip Kotler marketing is a societal process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. . The term gives a clear explanation of the important part that marketing plays in society. The main goal of marketing is to identify society needs and wants and then meet them by producing and distributing high-quality products and services. The society benefits much from marketing activity. among the main benefits are;

- 1) Developing products and services that address societal demands and consequently raise the standard of living in society.
- 2) Serve as a bridge between customer and producers of goods and services.
- 3) Create a competitive market environment to assist consumers in finding goods at fair and consistent prices.
- 4) Expanded marketing initiatives provide people more opportunities.
- 5) The products are made accessible in various geographical areas thanks to the marketing function of distribution. People may buy global products are offered.
- 6) The marketing role of promotion informs consumers about the various goods and services on the market.
- 7) Marketing gives consumers access to a variety of goods and services, enabling them to make decisions based on their likes and tastes.

The creation of goods and services with desired features at reasonable and steady costs in locations that are convenient for clients is an example of how marketing functions generally provide significant benefits to society.

## **2. Benefits to the Firm**

By attracting new clients, marketing helps businesses boost their earnings. The relevant clients should be reached at the appropriate time and location. The main advantages of marketing to the company are as follows:

- 1) Assists in determining the target market (right customers)
- 2) Creates appropriate (correct) products and services
- 3) Establishes the level of product demand
- 4) Provides customers with sufficient product information
- 5) Establishes appropriate distribution methods to deliver the products to the customers.
- 6) Identifies rivals and evaluates the firm's products' competitive edge in the market.
- 7) Discovers new product categories
- 8) Discovers new target markets or prospective clients

Marketing initiatives assist businesses in creating good relationships with clients that are advantageous to both parties. They offer all consumer and market-related information, which is useful for decision-making at all levels of the company.

## **2.3 SALES PROMOTION**

Sales promotion refers to the actions that support and coordinate advertising and personal selling in order to persuade consumers to purchase a product. Displays, demonstrations, expositions, exhibitions, and other one-time sales activities that encourage spot purchases by potential customers are examples of sales promotion techniques. Sales promotion is a crucial component of the whole distribution system that influences consumer purchasing decisions. It is challenging to accurately define sales promotion because it encompasses so many different actions. The use of prizes, coupons, contests, temporary price reductions, free goods, trade letters, literature, educational materials, displays, and trade fairs are all examples of sales promotion tools. The communication gaps that constantly exist between the producer and the customer are taken into account in sales promotion. Therefore, sales promotion should work closely with advertising and personal selling.

### **2.3.1 Meaning of Sales Promotion**

The promotional mix includes sales promotion. Sales promotion is the collective term for the actions that support and coordinate personal selling and advertising in order to persuade consumers

to purchase a product. Displays, demonstrations, expositions, exhibitions, and other non-repeated sales attempts are examples of sales promotion techniques that aim to encourage spot purchases from potential clients.

Techniques for promoting sales are indirect and impersonal. Marketing campaigns for consumer goods typically involve more sales promotion activities than those for industrial items. Displays, packaging, and advertising all draw customers. Devices for promoting sales can provide clients with information. Sales promotion is the collective term for the actions that support and coordinate personal selling and advertising in order to persuade consumers to purchase a product. Displays, demonstrations, expositions, exhibits, and other non-repeated sales attempts are examples of sales promotion techniques that aim to encourage spot purchases from potential clients. "Any action that is made to increase or achieve sales is referred to as a sales promotion. This phrase frequently specifically refers to marketing initiatives intended to support personal selling and advertising and, through coordination, increase their effectiveness." Numerous promotional activities fall under the umbrella of sales promotion. Sales promotion is the term for the activities that integrate personal selling and advertising and maximise their effectiveness. Sales and promotion are the two words that make up the term. Sales refer to the act of transferring ownership of a commodity or service after collecting payment. Promotion denotes growth. Sales promotion is thus a constant effort to boost sales.

As a result, it is possible to define sales promotion as any practise whose goal is to boost sales. A retailer is doing sales promotion when he gives his consumers a calendar or any other present. Sales promotion is a strategy used to offer customers a unique incentive to buy, which can take many different forms. Sales promotion makes an offer to enhance the worth of the commodity or service. Additionally, it might act as an incentive for marketing intermediaries like retailers and wholesalers. Additionally, it makes an effort to speed up sales by using limited-time deals and coupons with particular advantages. In essence, it is a tool created to maximise sales volume while accelerating the selling process. Any strategy that encourages clients to make a purchase will pique the interest of a sales manager. Numerous sales promotion initiatives have proven successful in moving goods in numerous international markets. This suggests that when making worldwide decisions about promotion, sales promotion should be taken into account alongside or in place of spending on advertising and personal selling. Many sales promotion activities entail some retail

activity, such as processing coupons, handling premium packages or oddly shaped combinations of items, posting display materials, etc. Where stores lack the necessary infrastructure, getting them to comply may be challenging. The relative pay-off of advertising, personal selling, and sales promotion expenses, which may vary by market, should be examined by the marketing manager. It will be useful to compare business expenses in various markets in order to evaluate sales promotion ideas and determine the budget that should be allotted for them.

### **2.3.2 Definition of Sales Promotion**

Sales promotion is an essential part of the whole distribution system that influences consumer purchasing decisions. It is challenging to accurately define sales promotion because it encompasses so many different actions.

According to Philip Kotler defines Sales promotion consists of a broad collection of incentive measures, most of which are short-term and intended to encourage customers or the trade to purchase a specific good or service more quickly or in greater quantities. Different promotional tools are coordinated for effective sales.

Philip Kotler asserts that sales promotion tools have the following three distinctive qualities:

1. Communication - They attract attention and frequently offer details that could point the customer toward the product.
2. Incentive - They include a discount, incentive, or other contribution that adds value for the customer.
3. Invitation - They specifically invite you to start the transaction right away.

The majority of most businesses' promotional budgets are spent on sales promotion activities. Sales promotion is frequently used by businesses to complement the other components of their promotion mix. Sales promotion is a collection of impersonal communication methods intended to encourage more rapid and frequent product sales. Sales are a company's lifeblood. Sale is the ultimate goal of production. Another significant source of income is sales revenue. Technical development and the industrial revolution have revolutionised not only the production sector but have also made attempts to promote sales necessary.



Sales is not an activity that generates itself. The significance of manufacturers' sales marketing initiatives has also expanded as a result of intense rivalry. It is a crucial component of the mix for promotions of a company. Sales promotion is a crucial management technique that lubricates marketing initiatives. Consumer demand for a product is stimulated by promotion. The establishing of contacts with clients is the focus of this component of marketing function.

The goal of every businessperson is to boost the sales of the products they deal in. To achieve this, he has a variety of options. You may be familiar with phrases like "lakhpati bano," "win a trip to Singapore," "30% more in a pack of one kilogram," "scratch the card and win a reward," etc. Additionally, you may have noticed that certain products come with free presents, such as a lunch box, pencil box, pen, shampoo purse, etc. There are also offers for exchanges, such as the opportunity to exchange an old television model for a new one at a lower cost. You may have also seen advertisements for "winter sales," "summer sales," "trade fairs," "discounts up to 50%," and many more marketing ploys in your adjacent areas. These are all incentives provided by sellers or manufacturers to boost the sale of their products. These inducements could take the shape of free samples, gifts, discounts, performances, competitions, etc. All of these actions typically encourage customers to make larger purchases, which boosts product sales. Sales promotion is the term for this method of product marketing.

Advertising is aimed at a big audience of potential clients, whereas personal selling involves direct interaction with a small number of specific individuals. They also aid in boosting product sales. In order to communicate with potential customers about the incentives provided for sales promotion, advertising might be used. Additionally, personal selling might involve explaining the motivations to specific clients. But in terms of approach and technique, sales promotion is different from advertising and personal selling. Sales promotion uses one-time, non-recurring strategies to increase sales in a variety of ways. Customers cannot take advantage of these incentives all year long. These plans are typically available on the market during holidays, the end of seasons, the end of the year, and some other occasions. Sales promotion, then, refers to all actions taken to boost the sales of a specific good or service that are not related to advertising or personal selling.

### **2.3.3 Objectives of Sales Promotion**

### **(i) Increasing product awareness**

Sales promotion strategies are employed when a new product is being introduced to raise consumer knowledge of the offering. Techniques used in sales promotion serve as an efficient tool for giving clients pertinent information about new products and encouraging purchases.

### **(ii) Sales growth immediately**

In comparison to sales promotion, advertising, personal selling, and other promotion techniques result in a slower sales reaction. Among order to create a sense of urgency in consumers to make a purchase right away, sales promotions are typically employed for brief periods of time throughout a set timeframe. Sales are impacted favourably right away as a result.

### **(iii)Competitive advantage**

Due to rising competition, businesses are finding it increasingly challenging to compete on quality. As a result, they are using more innovative styles of sales promotion to acquire an edge over their competitors.

### **(iv) Boost the brand image**

Organizations utilise sales promotion strategies to establish a distinctive image for their brands in the target market. Customers favour purchasing brands that have advantages over other brands. Sales promotion therefore improves the brand's reputation.

### **(v) Attracts customers**

Sales promotions are a great way to generate interest in a product. The main purpose of sales marketing is thought to be generating interest. Consumer interest in the products is increased by engaging sales campaigns.

### **(vi) Motivation of the existing customers**

The main goal of sales promotion is to increase demand by persuading consumers to buy a product. Customers can be inspired by special promotions, particularly those that reduce the cost of ownership for the client (such as a price decrease).

**(vii) Reinforcing the brand**

Sales promotions are utilised after clients have made a purchase to thank them for their loyalty to the brand as well as to stimulate more purchases. The brand is strengthened in the market by sales marketing.

**2.3.4 Importance of Sales Promotion**

Between advertising and personal selling, sales promotion serves as a link. Market difficulty has greatly enhanced the significance of sales marketing. Sales promotion aids in eradicating consumer unhappiness with a specific product or company and helps users and consumers form brand perceptions. The only promotional items accessible at the point of purchase are sales promotional items. An advertising medium may quickly be forgotten after reaching potential customers at their homes, workplaces, etc. The point-of-purchase sales promotion equipment encourages clients to make an immediate purchase. An essential element of the marketing strategy is sales promotion. It might be a particular marketing tool. Consumers, manufacturers, middlemen, and society as a whole benefit from effective sales promotion.

**1. Importance to Consumers**

The following are some reasons why consumers should care about sales promotion:

- 1) Consumers receive new products as a result of sales promotions that push manufacturers to release new goods on the market.
- 2) Sales promotions provide customers with a range of incentives, including refunds, freebies, and discounts.
- 3) A variety of incentives, samples, demos, fairs, and exhibitions excite and delight consumers.
- 4) Sales promotion boosts sales volume and lowers production unit costs, which drives down product prices.
- 5) Offers consumers a greater standard of living.

**2. Importance to Producers**

For the producers, sales marketing is crucial in the following ways:

- 1) Consumers are drawn to sales promotions, which encourage them to make larger purchases.
- 2) Sales promotion increases the effectiveness of advertising and other media activities to increase sales. These activities give ads more pull.
- 3) It is a successful move to take on the opposition.
- 4) It aids in boosting consumer demand for new goods.
- 5) It aids in keeping current clients.
- 6) It boosts the company's reputation.

### **3. Importance to Middlemen**

For the middlemen, sales promotion is crucial in the following ways:

- 1) It makes longer sales possible.
- 2) Manufacturers offer a range of assistance to dealers through sales promotional plans, including rebates, trade discounts, gifts, and awards.
- 3) Effective sales promotion strategies create positive relationships between retailers and their clients.

#### **2.3.5 Advantages of Sales Promotion**

The following are the main advantages of sales promotion:

1. It enables businesses to boost their sales volume right away.
2. Without spending more money on a product, consumers receive numerous incentives and inducements.
3. Customers pay less for the product.
4. It provides consumers with a justification for choosing one brand over another. A brand that is promoted through sales tactics offers customers some extra perks.
5. Businesses can easily sell their current stock (sock clearance sale is a sales promotion tool).
6. A variety of sales marketing plans and incentives aid in keeping consumers.

7. Sales promotion aids businesses in selling supplementary products in addition to the brand. It's known as cross-selling. Selling expensive products alongside the brand by enticing customers to purchase a high-end item when they visit the store is another benefit. It's known as up-selling.
8. When a product replacement is required, stock clearance sales can be used to quickly get rid of the stock (e.g., products nearing expiration date, clearing inventory to make space for new models).
9. In contrast to other forms of promotion, the majority of sales promotion strategies can be quickly developed and made accessible in a market.
10. When compared to personal selling and advertising, sales promotional activities cost less.

### **2.3.6 Types of Sales Promotions:**

1. Consumer Promotions
2. Trade Promotions / Dealers' Sales Promotions
3. Sales Force Promotion

#### **1.Important Tools in Consumers Sales Promotion**

Manufacturers and manufacturers use a variety of strategies to boost sales, including free samples, gifts, bonuses, and many others. These are referred to as sales promotion tools, strategies, or methods. Several of the often used sales promotion tools. Consumer sales promotions are marketing campaigns that target end users. Consumer promotions are typically of the "same or less" variety and may result in a simple price reduction or an additional benefit. "Interest promotions" like free samples, free premiums, competitions, and sweepstakes might or might not demand a purchase. These campaigns seek to pique consumers' interests in particular goods, services, activities, and events. Promotions that reinforce consumer brand preference and convey a message about the product are referred to as "consumer franchisee building." Examples include free premiums, free samples, coupons, and patronage rewards. Non-franchisee building promotions include contests and sweepstakes, price cuts, price packs, premiums unrelated to the acquired goods, etc. Among the often employed consumer promotions are discussed below

- (i) Free samples: While buying various things from the market, you may have been given free samples of shampoo, washing powder, coffee powder, etc. Even if a customer doesn't buy anything from the shopkeeper's store, they may occasionally receive these free samples. These are dispersed to entice people to try out a new product, resulting in the creation of new clients. To spread the word about their product, some businesspeople give samples to a few people. In the case of medicine, for instance, free samples are given to doctors, and in the case of textbooks, sample copies are given to teachers.
- (ii) Premium or Bonus offer: Examples of premiums or bonuses included for free with the purchase of a product are a milk shaker with Nescafe, cup with Bourn vita, tooth brush with 500 grammes of toothpaste, and 30% more in a one kilogramme box. They work well in persuading customers to buy a specific product. Additionally, this is helpful for rewarding and motivating current clients.
- (iii) Price-off offer: Under this offer, products are sold at a price lower than the original price, tea, Rs. 1000 off on cooler' etc. are some of the common schemes. This type of scheme is designed to boost up sales in off-season and sometimes while introducing a new product in the market.
- (iv) Fairs and Exhibitions: Fairs and exhibitions can be held locally, regionally, nationally, or internationally to promote new items, display them, and describe their unique qualities and utility. Products are showcased and demonstrated, and sales are also made at a fair discount. The annual International Trade Fair, which takes place in Pragati Maidan in New Sales Promotion Delhi from November 14–27, is a well-known illustration of how fairs and exhibitions may be used to promote sales.
- (v) Exchange schemes: It refers to providing an opportunity to trade in an old item for a new one at a discount from the old item's list price. This is helpful in highlighting the need for product enhancement. Swap schemes like "exchange your old black and white television with a new one" and "bring your old mixer-cum-juicer and exchange it for a new one merely by paying Rs. 500" are two examples that are frequently used.
- (vi) Coupons: Manufacturers will occasionally mail out coupons, place them in the product's packaging, or advertise their products in a newspaper or magazine. When purchasing the product, the retailer may accept these coupons. The product is

- discounted for the coupon holder. You may have seen coupons like, "Show this and get Rs. 15 off on purchase of 5 kg of Annapurna Atta," for instance. The reduced price offered by this programme draws potential buyers' attention to new or upgraded products.
- (vii) **Trading stamps:** For a few certain products, clients receive trading stamps based on the cost of their purchases. Customers must accumulate these stamps totaling a certain amount within a predetermined time frame in order to be eligible for certain perks. Customers are encouraged by this technique to purchase the product more regularly in order to amass the necessary number of stamps.
  - (viii) **Money Back offer:** Customers are assured under this programme that the full purchase price of the goods will be returned to them if they are dissatisfied with it after using it. Customers gain confidence in the product's quality as a result of this. This method is especially helpful when launching new products on the market.
  - (ix) **Scratch and win offer:** Scratch and win promotions are also provided to entice customers to purchase a specific product. In this technique, the consumer scratches a designated marked place on the product package to receive the advantage indicated by the message printed there. In this method, clients can receive free merchandise as shown on the marked area, take advantage of discounts, or even travel to various locations on a special trip organised by the makers.
  - (x) **Frequent-user reward:** These are rewards for customers who frequently use the product or service, like frequent flier rewards for airline passengers. The goal is to promote return visits or repeat purchases at a specific retail location. This strategy is regularly used by general and grocery businesses in the area to promote client loyalty. These programmes typically span a considerable amount of time to give clients plenty of opportunities to react favourably.
  - (xi) **Buy more save more:** This sort of offer encourages the buyer to purchase more of your inventory, thus it is sort of a win-win situation. Many potential clients who want to buy from your store but feel bad about the price will be there. Giving customers a discount if they make a larger purchase might just act as a small prod in the right direction. Although you don't have to give a huge discount, make sure it's enticing enough to draw in customers.

## **2. Important promotion tools in Traders /Dealer sales promotion**

When products are sold through merchants or wholesalers, dealer sales promotion or trade promotion is used. Tools for dealer sales promotion include point of sale incentives, price reductions, premiums, cooperative advertising, buying allowances, and merchandise allowances. The resellers are the target of trade marketing (Distributors, wholesalers and the retailers). Promotions for trade sales are a component of producers' "Push" strategy. The goals of trade sales initiatives are distinct from those of consumer sales campaigns. Producers are aware of how crucial retailer support is. They have more power to influence clients because they are the last point of contact in the supply chain. Before making a purchase, customers occasionally ask retailers for advice, and in many circumstances, retailers can affect the final decision on which goods to buy. In actuality, dealers serve as an essential intermediary between the producer and the final consumer. The company uses a variety of sales promotion tools as a result to occasionally inspire the dealers. The main dealer's assistance for sales campaigns is listed below. Merchandise allowance: In exchange for the retailer's permission to feature the manufacturer's product in some form, the manufacturer may grant an allowance. An advertisement allowance, for instance, pays shops for promoting the goods. Retailers are given a display allowance as payment for using customised displays.

- (i) **Buying allowance:** A buying allowance is given to dealers who make their purchases within the allotted time. It is highly helpful in exposing people to new products. Dealers are encouraged to purchase in large quantities since they will save money right away. A producer offers a reseller a predetermined payment, discount, or other benefit in exchange for buying a minimum volume of merchandise within a given time frame. The producer's check or the discounted invoice may be used to make the payment. This sales marketing tactic is frequently employed for both the introduction of new products and the discontinuation of existing ones.
- (ii) **Dealers' sales contests:** A sales contest is a competition for dealers that aims to boost their overall sales performance. Sales competitions reward top performers. They could come in the shape of vacations, cash awards, or other presents. Achievers receive points from some companies for their performance.



- (iii) Cooperative advertising: Dealers are allowed to promote the goods of the producer. Dealers submit proof of advertising to the manufacturer in order to claim this allowance.
- (iv) Trade allowance: Trade allowances are intended to provide financial incentives to resellers to encourage them to make a purchase. There are numerous ways to grant a trade allowance.
- (v) Free goods: A set quantity of product cases must be acquired by the reseller, and for each case, a specific quantity of the same product is given away for free. The offer can read, "One pack containing a dozen of the goods is free when you buy 12 packs. As a result, the intermediaries receive some commodities at no cost. This technique of sales promotion can be very successful in fending off rivalry.
- (vi) Buy-back allowance: The buy-back allowance is provided when the dealers make their initial purchase of the products. The dealer may use the first buy's allowance at the time of the second transaction, the second purchase's allowance at the third purchase, and so forth. As a result, buy-back allowance becomes a continual procedure and encourages dealers to engage in selling activities.
- (vii) Advertising Allowance: To promote the producer's goods, the dealer or retailer is compensated by the producer with a predetermined sum of money. This sum may be expressed as a fixed dollar amount or as a percentage of gross sales over a given time frame.
- (viii) Display allowance: If the party agrees to set up a POP display or operate an in-store promotional programme as stated by the marketer, they will be paid directly in cash or free items for each item purchased. Before the allocation is issued, the marketer requires the store to sign an agreement outlining the task to be completed.
- (ix) Contests and incentives: Manufacturers may employ trade competitions and other incentives to increase dealer and salesperson support and selling effort in order to meet sales targets and other goals. Prizes could include things like TVs, stereos, trips to exotic locations, and more. These giveaways and rewards are occasionally given to salespeople who work for distributors, dealers, wholesalers, or retailers. These incentives entail paying salespeople in cash to promote the producer's goods

specifically. Push money, also known as SPIFF/SPIF, or Sales Promotion Incentives Fund Formula, is a term for this kind of monetary distribution.

- (x) Free foreign tours: Free international trips are given as an incentive to wholesalers and retailers that successfully reach a predetermined sales volume within a predetermined time frame. Dealers are encouraged by such a promotion to make aggressive product sales.

### **3. Important promotion tools on Salesforce promotion**

Sales force promotion, like consumer and dealer sales promotion, aims to enhance sales by improving the performance of the sales force through various promotional strategies. The following are essential tools for sales force promotion:

- (i) Bonus: The most common type of reward given to a sales team that over its assigned quota is a bonus. Therefore, such a bonus is viewed as a separate incentive for the sales team to put in extra effort.
- (ii) Sales force contests: Another sales force promotion method that encourages the salesmen's efforts is the sales force contest. Such competitions are typically organised by the sales promotion department to raise the efforts and energies of the sales staff.
- (iii) Sales conventions and conferences: In order to inform and motivate the sales force, sales conventions and conferences are often organised. The sales force receives training and direction on new strategies and cutting-edge methods of selling goods and services at such conventions and conferences.

#### **2.3.7 Sales Promotion Strategies**

There are three different kinds of sales promotion techniques. You can either push, pull, or a combination of the two.

Utilizing a company's sales team and trade promotion initiatives, a push promotional approach works to increase customer demand for a product. Through advertising and personal selling, it entails persuading members of the trade intermediary channel to push the goods through the distribution channels to the final customer. The manufacturer advertises the product through a reseller, who then advertises it to a third reseller or to the end customer.

To put it another way, the producer advertises the goods to wholesalers, who then advertise it to retailers, who then advertise it to customers. Trade-promotion goals include convincing wholesalers or retailers to carry a brand, providing shelf space for a brand, promoting a brand in advertising, and/or promoting a brand to consumers. Allowances, buy-back guarantees, free trials, competitions, speciality advertising products, discounts, displays, and premiums are common push strategy methods.

Mobile phones are a prime example of "push" marketing, with major handset producers like Nokia promoting their goods through merchants like Car Phone Warehouse. For businesses like Nokia, personal selling and trade promotions frequently result in higher sales volumes from retailers. One strategy is to offer subsidies on the handsets.

Through the marketing channel, a pull strategy aims to "draw" customers away from the producer and toward the product. The corporation targets customers with its marketing communications initiatives in the hopes of generating interest in and demand for the product among end users. A "pull" selling approach is one that spends a lot of money on marketing to consumers and generating demand for a product.

This strategy is frequently used when distributors are hesitant to stock a product since it encourages as many customers as possible to visit retail locations and ask for the item, which moves it through the channel. Consumer promotion goals include luring customers away from competitors' products, getting them to "load up" on a mature product, keeping and rewarding devoted customers, and developing relationships with consumers. Consumers will ask their merchants for the product, retailers will ask the wholesalers, and wholesalers will ask the manufacturers whether the method is working.

Samples, coupons, cash refunds and rebates, premiums, advertising specialties, loyalty programs/patronage rewards, contests, sweepstakes, games, and point-of-purchase (POP) displays are common pull strategy approaches.

The extensive advertising and promotion of children's toys, particularly on television, is a good illustration of a pull.

### **2.3.8 Sales Promotion and Advertisement**

Advertising and sales promotion are two distinct types of promotion. The indirect method of presenting a product and convincing customers to use it called advertising. However, a direct approach of encouraging clients to visit the store and purchase the product is sales promotion. Long-term goals of advertising include positioning, brand building, and increasing customer loyalty.

The short-term goal of sales promotions is an instant increase in sales. By enhancing the product's value, advertising helps to support sales. It has long-term effects on the value of the brand. Sales promotion aids in sales by temporarily shifting the price-value equation of the product in favour of customers. Advertising and sales promotion so serve very different purposes even though they are both promotional techniques.

Sales promotion refers to marketing initiatives like displays, presentations, exhibitions, demonstrations, etc. that encourage customer purchase and dealer effectiveness. Even if these actions resemble those of advertising, they can be differentiated on the following grounds:

- a. While promotion is a group of activities that disseminate information about the product, brand, or service, advertising is a technique for drawing attention to a product or service through a paid network.
- b. Promotion is a marketing strategy, whereas advertising is a promotional strategy.
- c. The results of promotion are immediate, whereas the results of advertising are typically slow and can be seen over time.
- d. While promotion is cost-effective, advertising has a high price tag.
- e. While promotion is appropriate for all businesses, advertising works best for large and medium-sized businesses.
- f. Sales promotion seeks to increase sales by offering targeted incentives, whereas advertising aims to create a favourable consumer attitude toward the product and move the consumer to the point of purchase. In other words, where advertising ends, sales promotion begins.
- g. While sales promotion always has a short-term perspective, advertising can have either a long- or short-term perspective.

- h. Indoor, outdoor, direct, and display media are the main categories for advertising, while contests, premiums, prizes, and exclusive deals are used for sales promotion.
- i. Although both are forms of communication, sales promotion is the actual transaction phase, whereas advertising is more prominent in the pre- and post-transaction phases. Sales promotion, then, is more closely related to actual selling than advertising.
- j. Sales promotion, then, is more closely related to actual selling than advertising. Advertising's long-lasting and cumulative effects make it repetitious as the impact is not recurrent and frequent during sales promotion non-cumulative and limited in time.
- k. While promotion is done to improve brand awareness and sales, advertising is done to promote quick sales.
- l. While Promotion is one of the components of the promotion mix, the elements of the marketing mix.

### **2.3.9 Factors affecting Sales Promotion Decision**

#### **(i) Corporate Objectives:**

The decision to promote someone is heavily influenced by the company's objectives. A company may have various goals in various international markets, or various companies may have various strategies in the same market. The promotion plan of the company will be based on its level of commitment to worldwide activities. In terms of foreign marketing, a company's goal can be to establish its reputation over the long term, or it might be to quickly optimise its cash flow or profitability before exiting the market. A company might like to market its goods to a select group of clients, whilst another company would prefer to reach a much larger audience. In each situation, a different promotion method would be employed. A company's marketing plan will differ significantly depending on whether it wants to sell to a small number of clients, the general public, or build its brand. Thus, a company's promotion approach will be determined by its corporate aim.

#### **(ii) Media Availability**

A media outlet that is widely accessible in one's own nation may not necessarily be sold abroad. Although it is possible to assume that all industrialised nations have access to the same media, it is important to keep in mind that there may be differences in the level of institution and

communicative value. The promotional message, topic, and other media assets may be changed in such cases. However, when a specific type of media is simply unavailable, the task of an international marketer is made more difficult. For instance, television isn't available for commercial communications in some undeveloped nations. Recently, the commercial TV network service was launched in India. TV cannot be utilised as a promotional medium under such circumstances. Low literacy rates may mean that there aren't enough journals for adverts. As a result, the marketer is unable to use journals and may need to switch to other forms of available media.

(iii) Financial Considerations

Making decisions on the promotion policy may be severely constrained by the firm's financial resources. A company cannot employ a costly strategy if it lacks adequate financial stability. As opposed to this, a company with a solid financial foundation may employ any strategy that could be advantageous to the company. For instance, because advertising is expensive, most businesses in poor nations like India do not rely on it as much. They favour participating in fairs and exhibitions over sending direct mail to international consumers. These companies occasionally use consortium advertisements in international markets. The Export Promotion Councils or Commodity Boards frequently publish these adverts. On the other hand, businesses with significant financial resources favour using sales promotion strategies like advertising to sell their goods globally. Therefore, a company's financial resources place a cap on its advertising strategy and promotional methods.

(iv) Nature of the Services or Product Offered:

Another element that will affect a company's promotion strategy is the nature of the goods or services it provides. Certain products are standardised and their promotional themes are also standardised. In these circumstances, a global promotional plan that is standardised can be implemented. The promotional themes and programmes may be used in the standardised form or with slight modifications. As against these products, there are certain other products which are not standardised such as ready – made garments. Such products are differentiated from market to market.

(v) Environmental Constraints:

Last but not least, the company must consider environmental factors such as the degree of economic development of a nation, the average person's disposable income, consumer preferences and attitudes toward advertising and sales presentations, rivals' promotion strategies, and the legal requirements in a specific foreign market. In general, a company should evaluate the cultural and legal aspects of the environment as well as the rivals' techniques used in that market:

a. Cultural Environment:

Their opinions toward a company's promotion effort are influenced by the culture of the people in a certain market. The promoter should stay away from this strategy if consumers think that the advertisement is nothing more than a bunch of lies. People in some nations dislike imported items because they go against their cultural customs; therefore, the company would need to implement a promotion strategy that would eliminate this prejudice. The marketer should make an effort to inform the public of the advantages that using the product would have over using their current products. Localizing the product can be the best option in certain circumstances. The product may be sold by the marketer to distributors or agents in other countries, who may then market it under their own brands in accordance with local customs.

b. Legal Constraints:

A marketer must also adhere to all legal guidelines about promotion methods. The legal framework in a target overseas market may differ from that in the native country, which could have a significant impact on the company's decision to promote. Before choosing a specific promotion approach or creating a promotion campaign, the international marketer must have a comprehensive awareness of these needs. Despite the fact that these laws vary from one country to the next, one can still see that practically all of them have a few similar limits to varied degrees.

c. Competitors' Promotional Strategy:

A company should not disregard the promotion methods, policies, programmes, and tools used by the market competitors while developing its promotion policy or strategy for the target market. The company should research them before deciding on a promotion strategy that is superior, or if not superior, at least comparable to strategies used by other companies. But a lot depends on the company's resources, employee attitudes, and culture, among other things. Thus, before implementing any advertising programme, the foreign marketer must take the aforementioned

aspects into account. He cannot make a promotion choice based on gut feelings or intuition. He shouldn't follow their example. In order to make a decision regarding the advertising of his product in the intended market, he must research and weigh all the pertinent elements.

### **2.3.9 Measures to Influence Sales Promotion on Sales**

- (a) Brand Switching - Some sales promotion strategies aim to encourage brand switching, or getting customers to buy a newly announced product rather than a well-known one.
- (b) Repeat Purchase - Consumers are more likely to buy the same brand in the future when they are influenced by sales promotions.
- (c) Increasing Category Expansion and Consumption - As a result of sales promotions, consumers eat more of the entire product category.
- (d) Buying more than necessary - Consumers either buy more than they actually need right away or change the timing of their purchases.

The attitudes of consumers toward purchasing the brand are influenced by sales promotions that give price discounts. Price promotions may influence consumers to switch to the newly promoted brand.

Customers who have coupons are in a position of power over the transaction. Repeat purchases are a product of habit building and are influenced by customer satisfaction.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is the heart of the project report. A detailed description about how the research has been carried out is to be explained in this chapter. The research should be done in a scientific way and the quality of research relied upon the scientific and logical approach followed to do the study. The following contents of methodology can be used for marketing and HR projects. The methodology for finance and other areas can be modified on the basis of the type of study.

### **3.2 Research design**

The methodology is the method used in the collecting the information, which assists for the research problem.

Descriptive research is used in this study

This type of research describes what exists and may help to uncover new facts and meaning. The purpose of descriptive research is to

✓ Observe

✓ Describe

✓ Document

This involves the collection of data that will provide an account or description of individuals, groups or situations. Instruments we use to obtain data in descriptive studies include

✓ Questionnaires

✓ Interviews

✓ Observation

Descriptive research is used to describe characteristics of a population or phenomenon being studied.

### **3.3 Population**

Population is the collective term for the individuals or things that researchers are interested in generalising their findings. Population size of the study is the total number of the employees working in KAIRALI TMT steel bars.

A population is also known as a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have a common, binding characteristics or trait. Population is the entire pool from which a statistical sample is drawn

### **3.4 Sample size**

Sample size is an important concept in statistics, and refers to the number of individual pieces of data collected in a survey. A survey or statistics sample size is important in determining the accuracy and reliability of a survey's findings. Sample size measures the number of individual

sample measured or observations used in a survey or experiment. The sample size for my project study which I have considered is 84.

### **3.5 Sampling Technique:**

#### **Simple Random Sampling**

A simple random sample is a subset of individuals chosen from a larger set. Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process, and each subset of individuals has the same probability of being chosen for the sample as any other subset of individuals. This process and technique is known as simple random sampling.

A random sampling system enables more reliable results of statistical analysis with measurable margins of errors and degree of confidence. In random sampling, individual judgment plays no part in selection of sample. Each item in the sample stands equal chance of being included in the sample.

Simple random sampling ensures that each possible sample has an equal probability of being selected; each item in the entire population has an equal chance of being included in the sample.

#### **Data analysis tools and techniques used**

Simple percentage analysis:

A percentage is defined as a number represented as a fraction of 100, percentages are used to express numbers between zero and one. It is used to compare things and used it in ratios. It is denoted by the symbol %.

Formula

Simple Percentage =

$$\frac{\text{No. of Respondents}}{\text{Total no. of Respondents}} \times 100$$

### **3.6 Data collection**

Data series is a time used to explain a system of getting ready and gathering facts. The reason of facts series is to achieve statistics to preserve on record, to make selection approximately vital problems to by skip statistics directly to others.

#### **Primary data**

The primary data collected through survey, by preparing questionnaire and meeting employees personally and interviews them and gathering information from them. Like this primary data was collected. Hence the questionnaire is the main source of primary data for this study.

#### **Secondary data**

The secondary data collected from the company manuals, company web site and various social medias and networks that connects with the employees of the company.

### **3.7 Statistical Treatment**

Statistical processing of data is highly dependent on the type of experiment and the desired outcome of the experiment. Statistical tool is useful in analysis of data collected data. Statistical analysis helps to provide conclusion with numerical evidence. Percentage analysis is used in the research study.

### **3.8 Software used for study**

This project research used MS Excel in order to analyse data and find out the conclusion.

## **CHAPTER 4**

### **DATA ANALYSIS**

#### **4.1 Introduction**

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting, conclusions, and supporting decision making. Data analysis has multiple faces and approaches, encompassing diver's techniques under a verity of names, in different business, science, and social science domains. Data analysis is engaged in after all data has been collected and is process used to analyse the collected data. The type of data analysis the tool that was used is depended on the type of data. Before processing

the responses, the completed questionnaire was edited for completeness and consistency. The data then coded to enable the descriptive analysis including percentage analysis and correlation analysis. The result of the analysis is given in the tables followed by interpretation.

**TABLE NO .4.2.1**

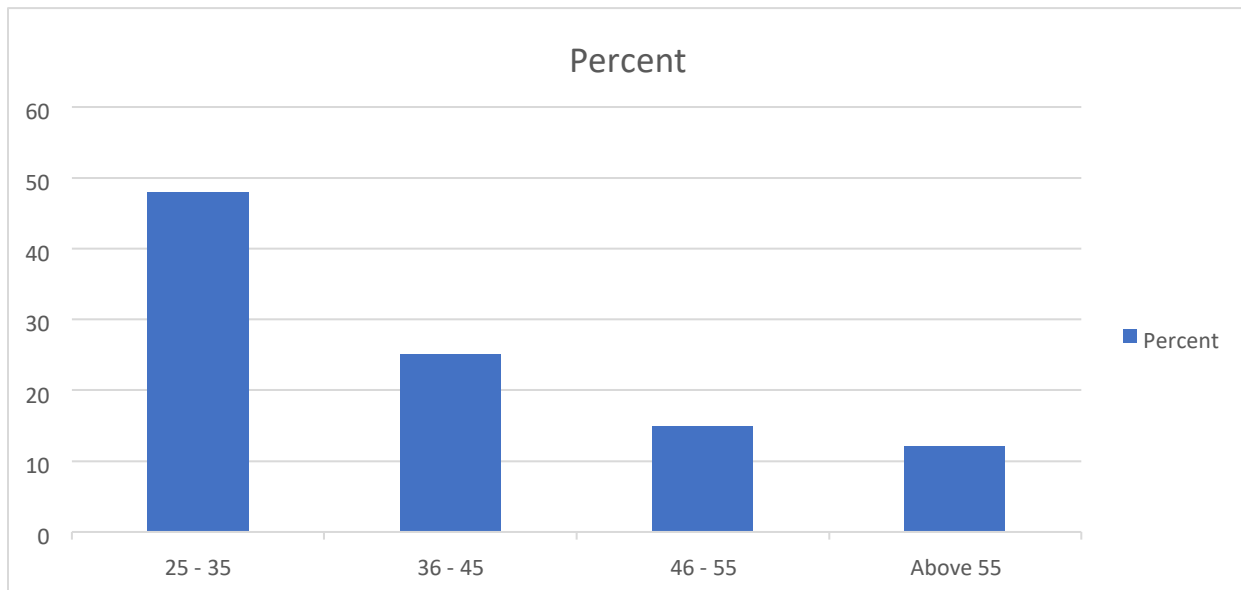
**AGE GROUP**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
25 - 35	40	47.62
36 - 45	21	25
46 - 55	13	15.48

Above 55	10	11.90
Total	84	100

**CHART NO 4.2.1**

**AGE GROUP**



**INTERPRETATION**

In the above chart out of 84 dealers 40 dealers are between the age group of 25 – 30, 21 dealers are between 36 – 45, 13 dealers are between 46 – 55 and 10 dealers are under age group of above 55.

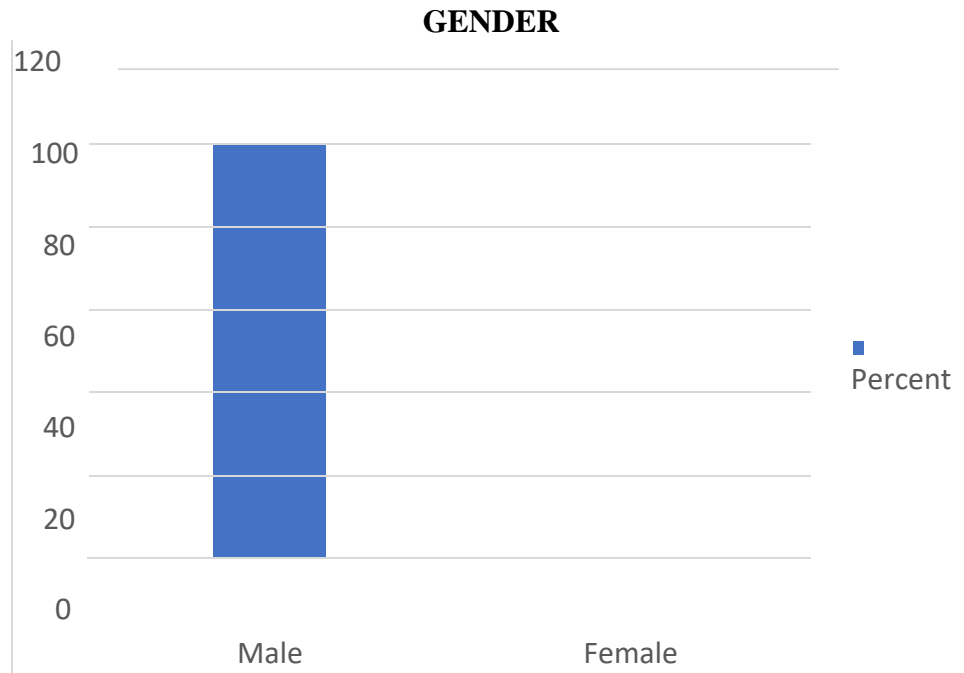
**TABLE NO .4.2.2**

**GENDER**

Particulars	Frequency	Percent
Male	84	100
Female	0	0

Total	84	100
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**CHART NO 4.2.2.**



**INTERPRETATION**

In the above chart, it shows that out of 84 dealers, all dealers are males.

**TABLE NO 4.2.3.**

**YEAR OF EXPERIENCE**

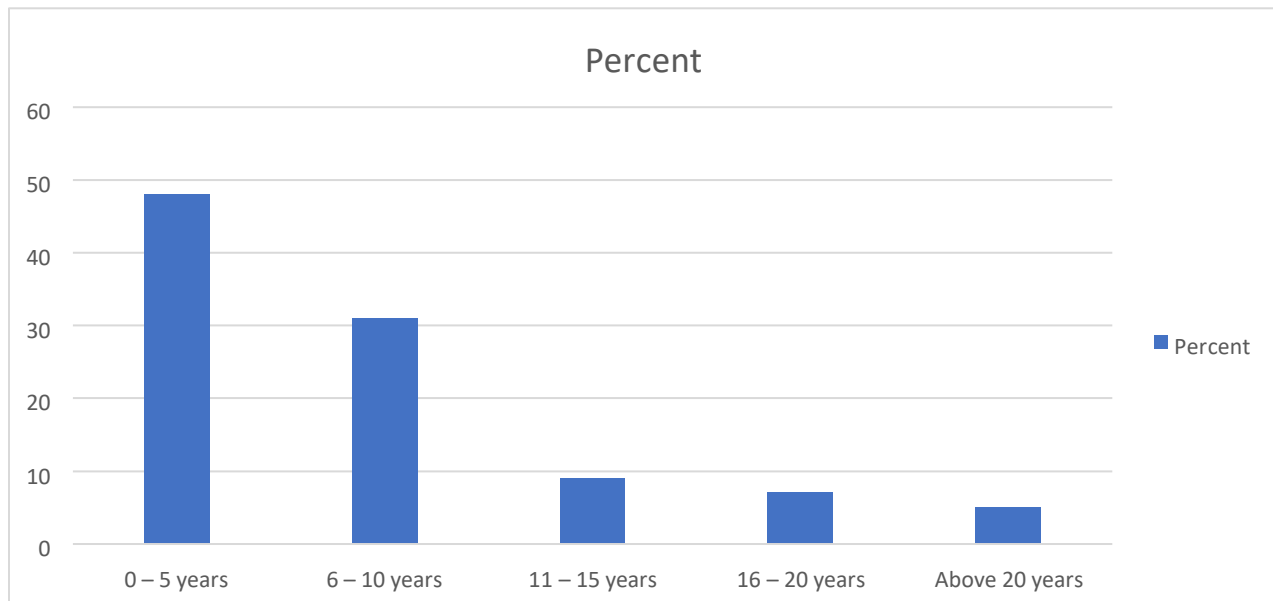
Particulars	Frequency	Percent
0 – 5 years	40	47.62
6 – 10 years	26	30.95
11 – 15 years	8	9.53
16 – 20 years	6	7.14
Above 20 years	4	4.76



Total	84	100
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**CHART NO 4.2.3.**

**YEAR OF EXPERIENCE**



**INTERPRETATION**

In the above chart out of 90 dealers, 40 dealers have an experience of 0 – 5 years, 26 dealers have an experience of 6 - 10 years, 8 dealers have an experience of 11 – 15 years, 6 dealers have experience of 16 – 20 years and 4 dealers have more than 20 years of experience.

**TABLE NO 4.2.4**

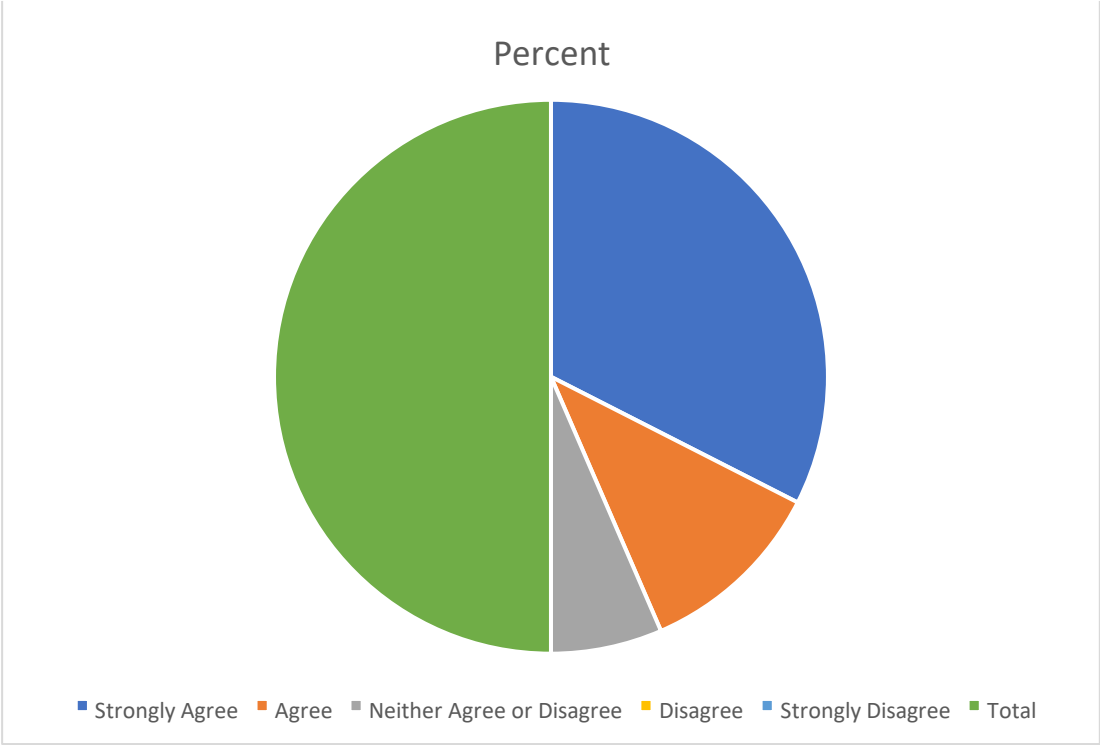
**Items are delivered at right time by KAIRALI TMT**

Particulars	Frequency	Percent
Strongly Agree	55	65.48
Agree	18	21.43
Neither Agree or Disagree	11	13.09

Disagree	0	0
Strongly Disagree	0	0
Total	84	100

**CHART NO 4.2.4**

**Items are delivered at right time by KAIRALI TMT**



**INTERPRETATION**

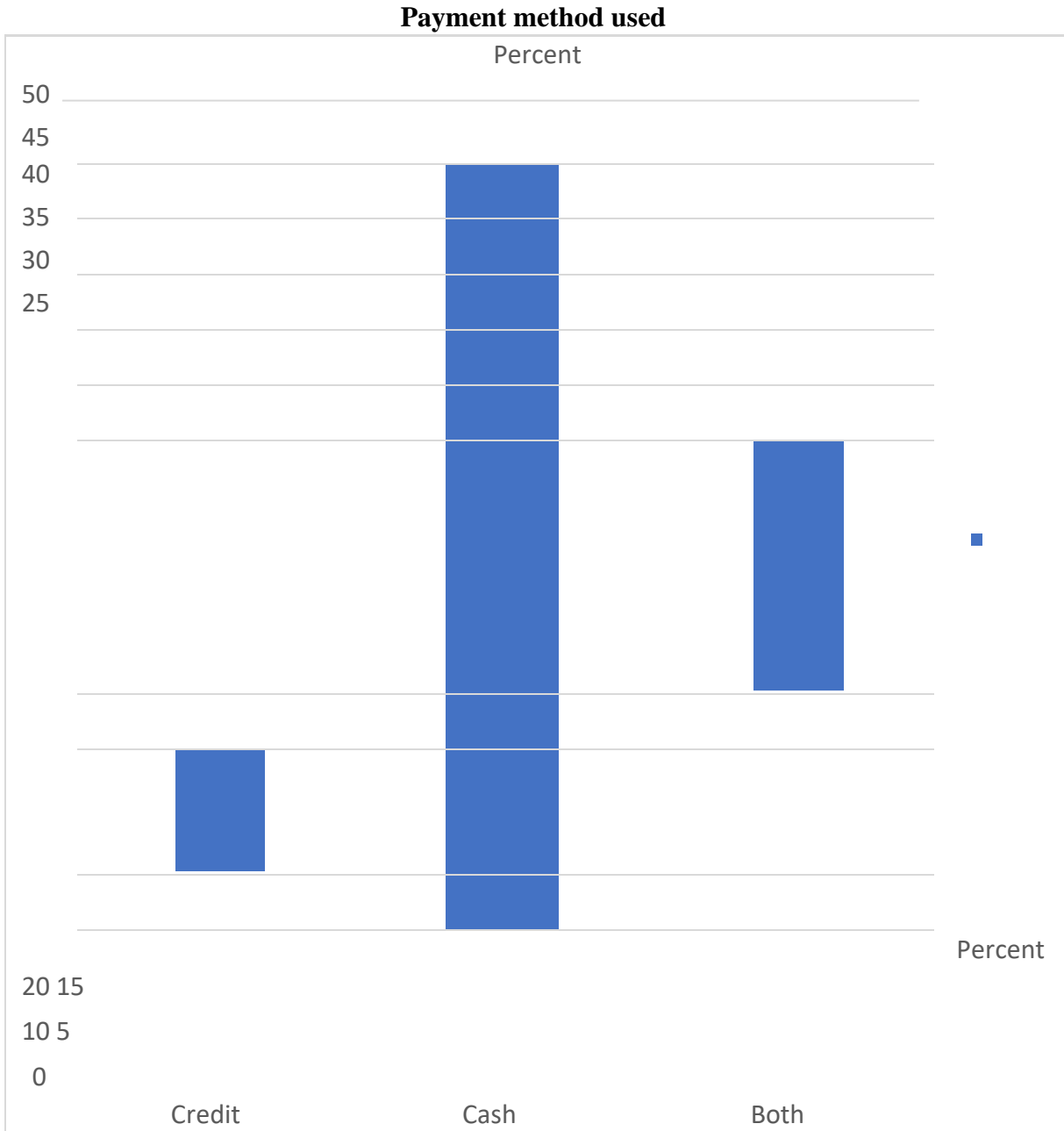
In the above chart out of 84 dealers, 55 dealers strongly agree that Kairali TMT deliver the products at right time. 18 dealers agrees that they deliver products at right time. And 11 dealers are neither agree or disagree with the statement.

**TABLE NO 4.2.5**

**Payment method used**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Credit	15	17.86
Cash	38	45.24
Both	31	36.90
Total	84	100

**CHART NO 4.2.5**



**INTERPRETATION**

In the above chart out of 84 dealers, 15 dealers agrees that the mode of payment used is credit, 38 dealers agrees that mode of payment used is cash and 31 of them use both cash and credit mode of payment.

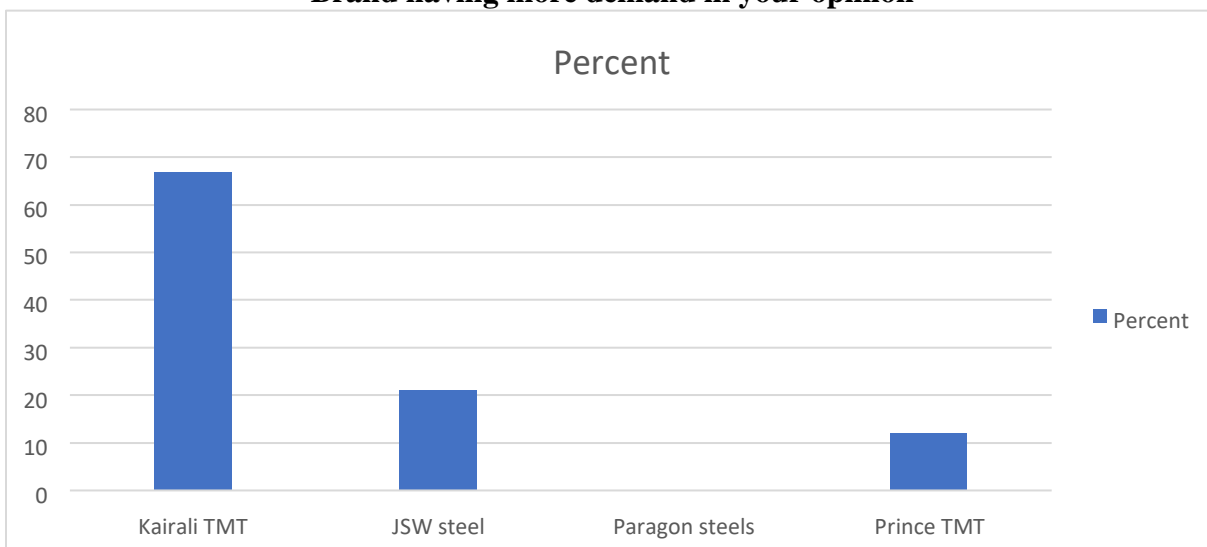
**TABLE NO 4.2.6.**

**Brand having more demand in your opinion**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Kairali TMT	56	66.67
JSW steel	18	21.43
Paragon steels	0	0
Prince TMT	10	11.90
Total	84	100

**CHART NO 4.2.6.**

**Brand having more demand in your opinion**



**INTERPRETATION**

In the above chart out of 84 dealers, 56 dealers agrees that Kairali TMT brand has more demand in comparison to other brands like JSW Steels, Paragon steels and prince TMT.

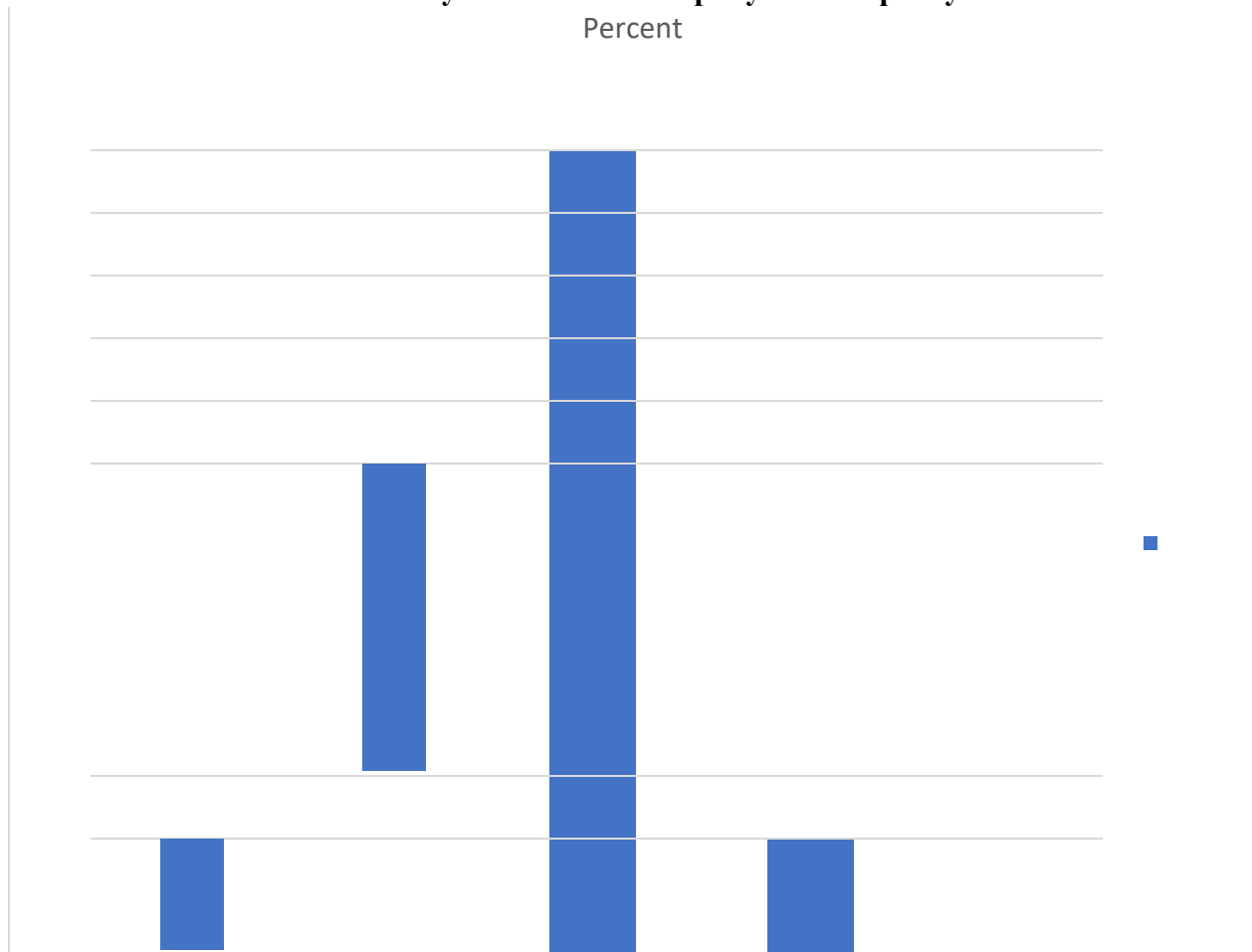
**TABLE NO 4.2.7.**

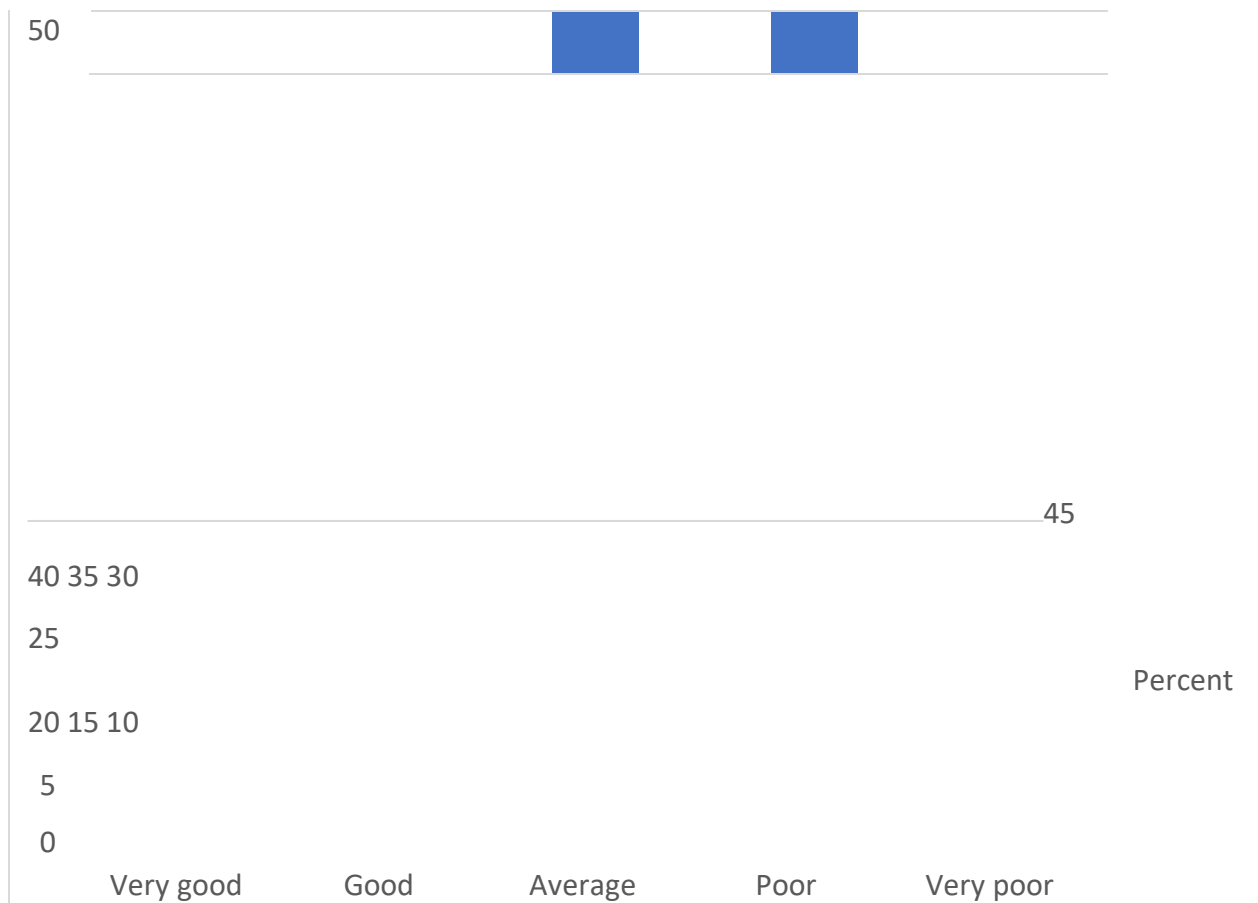
**How would you assess the company's credit policy?**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Very good	10	11.90
Good	28	33.33
Average	38	45.24
Poor	8	9.53
Very poor	0	0
Total	84	100

**CHART NO 4.2.7.**

**How would you assess the company's credit policy?**





**INTERPRETATION**

In the above chart out of 84 dealers, 10 dealers agrees that the company have a very good credit policy, 28 dealers have opinion that they have good credit policy, 38 dealers says that the company have an average credit policy and 8 dealers says that they have poor credit policy.

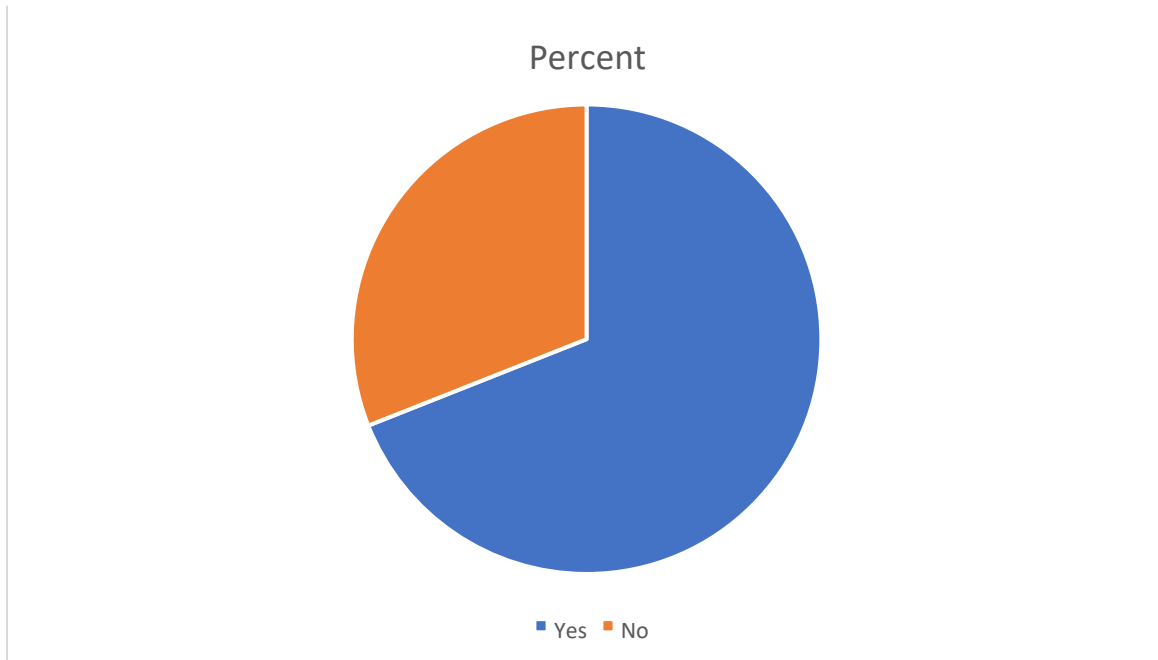
**TABLE NO 4.2.8.**

**Does the company have any incentive programmes?**

Particulars	Frequency	Percent
Yes	58	69.05
No	26	30.95
Total	84	100

**CHART NO 4.2.8.**

**Does the company have any incentive programmes?**



**INTERPRETATION**

In the above chart out of 84 dealers, 58 dealers agrees that the company provide incentive scheme and 26 dealers disagree with the statement.

**TABLE NO 4.2.9.**

**When do company introduce scheme for sales promotion?**

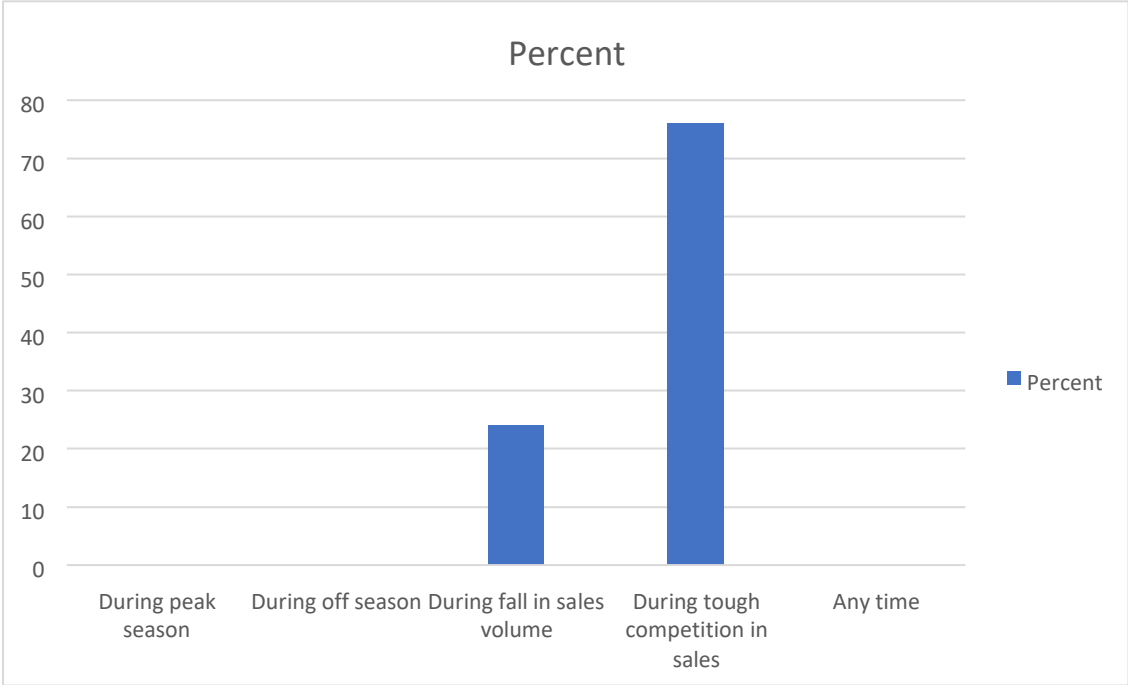
Particulars	Frequency	Percent
During peak season	0	0
During off season	0	0
During fall in sales volume	20	23.80
During tough competition in sales	64	76.2
Any time	0	0



Total	84	100
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**CHART NO 4.2.9.**

**When do company introduce scheme for sales promotion?**



**INTERPRETATION**

In the above chart out of 84 dealers, 20 dealers agrees that company introduce scheme for sales promotion during fall in sales volume period and 64 dealers says that the company introduce scheme during tough competition in sales period. And the company don't introduce any scheme for sales promotion during peak season and off season.

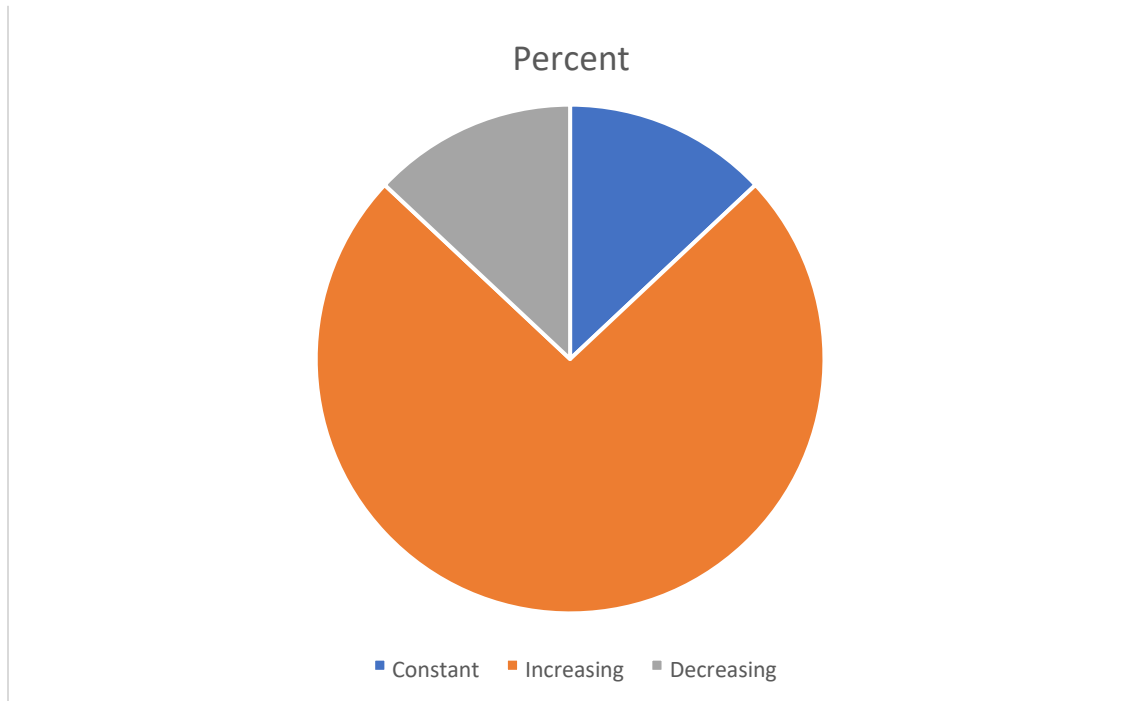
**TABLE NO 4.2.10.**

**Rank your sales growth over previous five years**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Constant	11	13.10
Increasing	62	73.80
Decreasing	11	13.10
Total	84	100

**CHART NO 4.2.10**

**Rank your sales growth over previous five years**



### INTERPRETATION

In the above chart out of 84 dealers, 11 dealers have opinion that sale growth is constant, 62 dealers says that the sales is increasing and 11 dealers says that the sales is decreasing over last 5 years.

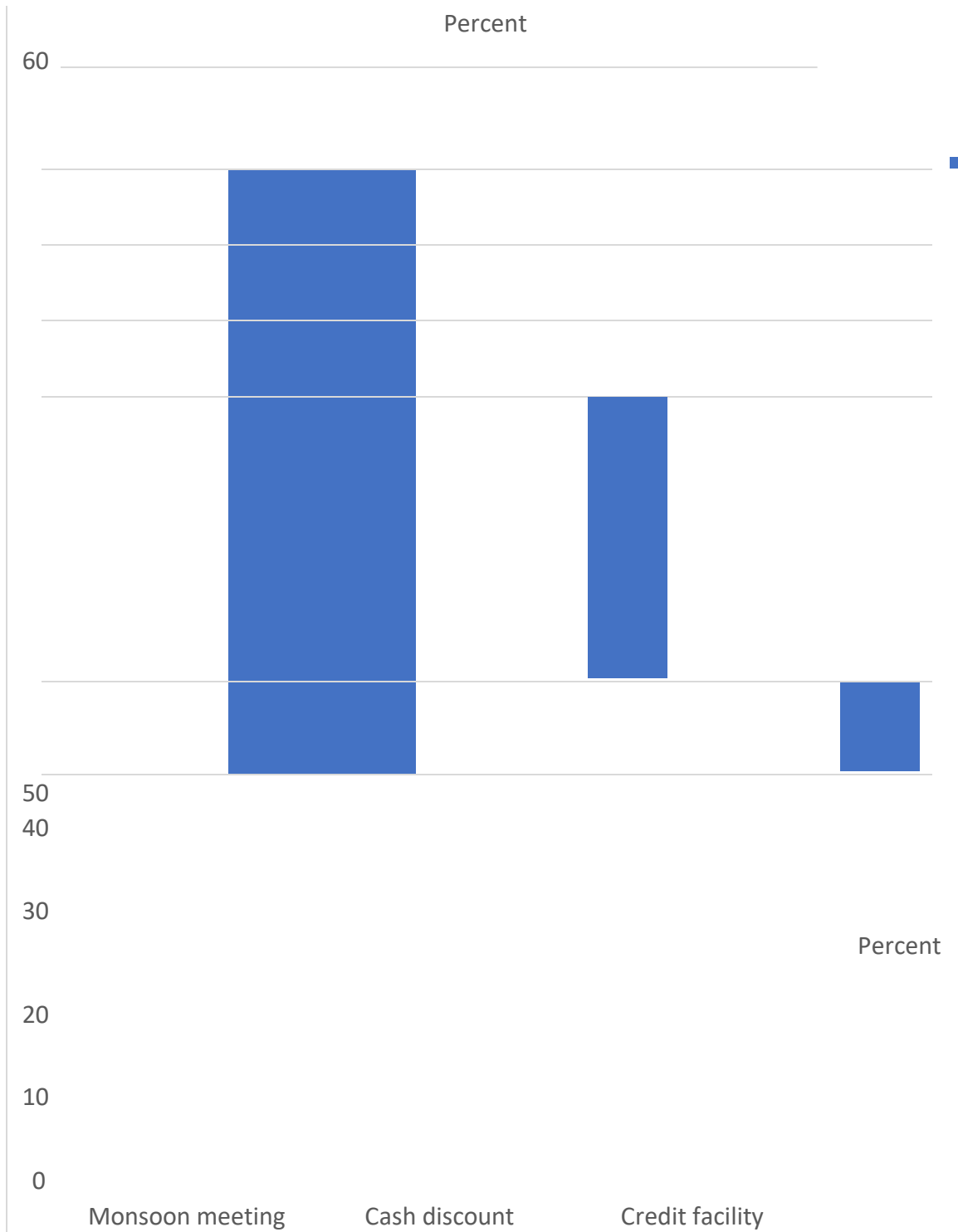
**TABLE NO 4.2.11**

#### Did you take actions outside of the business to boost sales?

Particulars	Frequency	Percent
Monsoon meeting	42	50
Cash discount	32	38.10
Credit facility	10	11.90
Total	84	100

**CHART NO 4.2.11**

#### Did you take actions outside of the business to boost sales?



**INTERPRETATION**

In the about chart out of 84 dealers, 42 dealers says that they use monsoon meeting to increase sales apart from company, 32 dealers agrees that they use cash discount to increase sales and 10 dealers says that they use credit facility to boost sales.

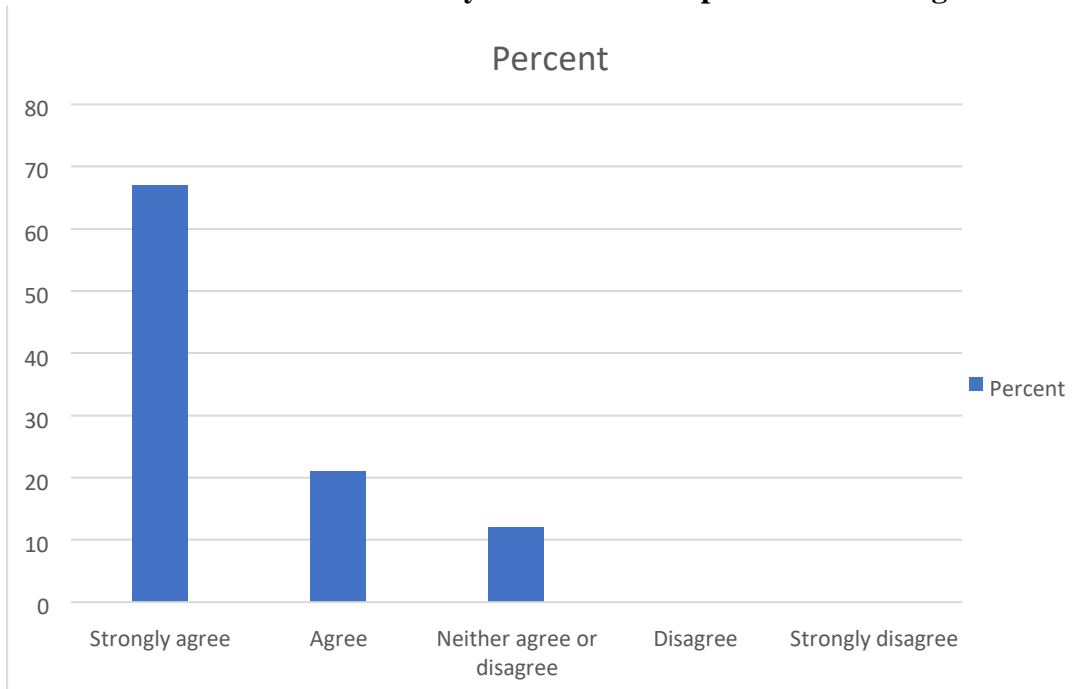
**TABLE NO 4.2.12.**

**KAIRALI TMT effectively handle its sales promotion strategies**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	56	66.67
Agree	18	21.43
Neither agree or disagree	10	11.90
Disagree	0	0
Strongly disagree	0	0
Total	84	100

**CHART NO 4.2.12**

**KAIRALI TMT effectively handle its sales promotion strategies**



**INTERPRETATION**

In the above chart out of 84 dealers, 56 dealers strongly agrees that Kairali TMT effectively handle sales promotion strategies, 18 dealers agree to the statement and 10 dealers neither agree

or disagree that the company effectively handles the sales promotion strategies. And no one have disagreed or strongly disagreed to the statement.

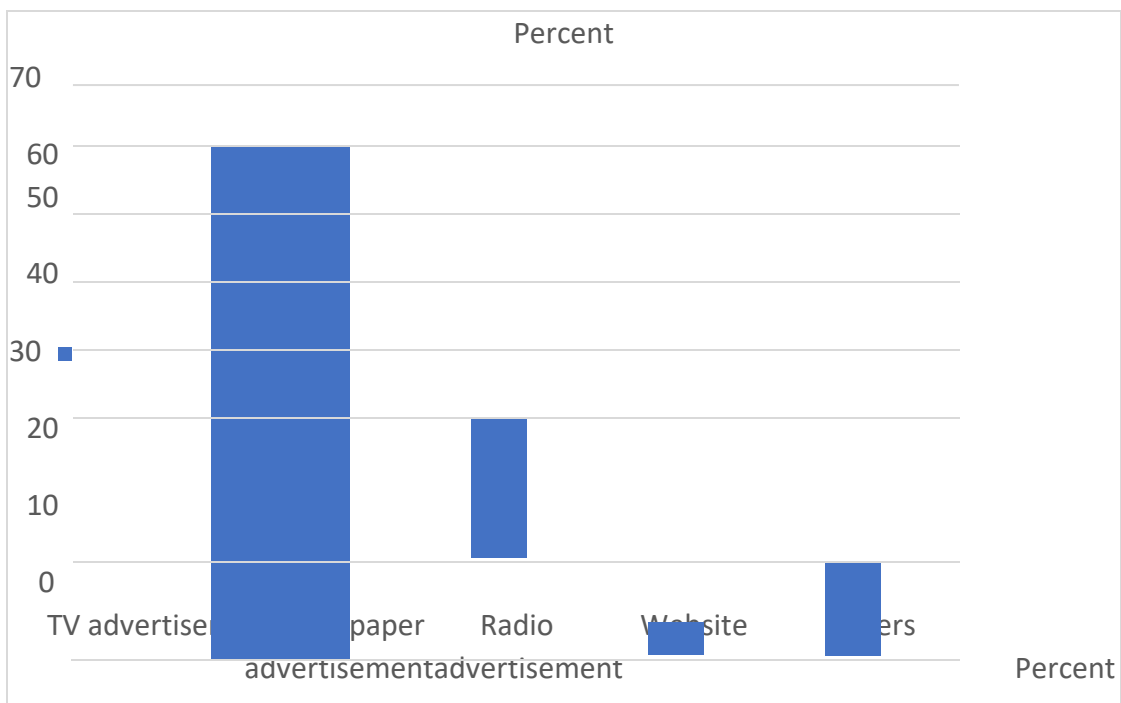
**TABLE NO 4.2.13**

**What made you aware about Kairali TMT steels?**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
TV advertisement	50	59.53
Newspaper advertisement	18	21.43
Radio advertisement	4	4.76
Website	12	14.28
Others	0	0
Total	84	100

**CHART NO 4.2.13**

**What made you aware about Kairali TMT steels?**



## **INTERPRETATION**

In the above chart out of 84 dealers, 50 dealers get to know about Kairali TMT through TV advertisement, 18 dealers got information through Newspaper advertisement, 4 dealers got information through radio advertisement and 12 dealers got information about Kairali TMT through Website.

**TABLE NO 4.2.14**

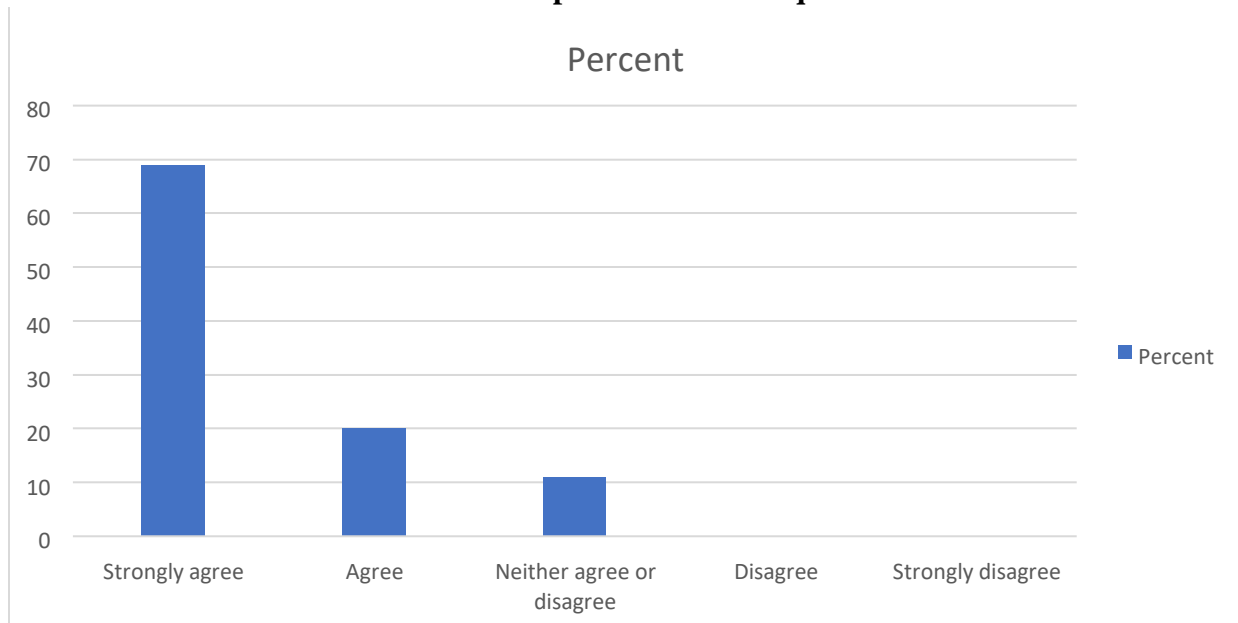


**Satisfied with current sales promotion techniques of Kairali TMT**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	58	69.04
Agree	17	20.24
Neither agree or disagree	9	10.72
Disagree	0	0
Strongly disagree	0	0
<b>Total</b>	<b>84</b>	<b>100</b>

**CHART NO 4.2.14**

**Satisfied with current sales promotion techniques of Kairali TMT**



**INTERPRETATION**

In the above chart out of 84 dealers, 58 dealers strongly agree that they are satisfied with current sales promotion techniques of Kairali TMT, 17 dealers agree that they are satisfied with current sales promotion and 9 dealers says neither agree or disagree with the statement.

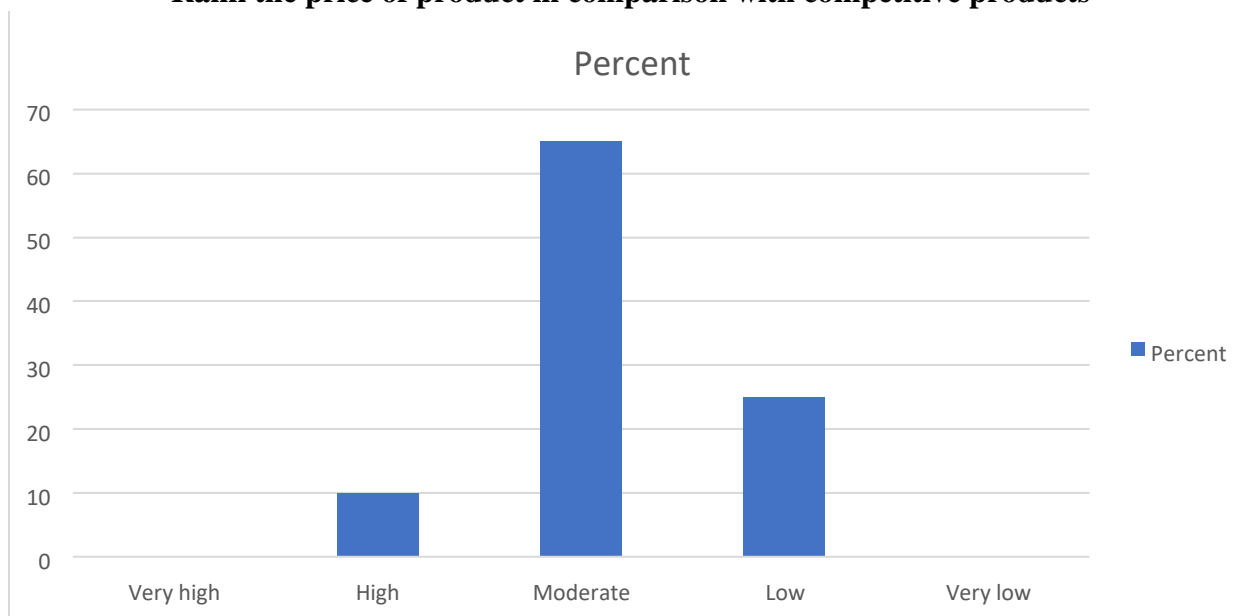
**TABLE NO 4.2.15**

**Rank the price of product in comparison with competitive products**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Very high	0	0
High	8	9.53
Moderate	55	65.47
Low	21	25
Very low	0	0
<b>Total</b>	<b>84</b>	<b>100</b>

**CHART NO 4.2.15**

**Rank the price of product in comparison with competitive products**



**INTERPRETATION**

In the above chart out of 84 dealers, 8 dealers agrees that Kairali TMT is having high price compared to competitive products, 55 dealers says that company is having moderate price products and 21 dealers says that they are having low price products compared to competitive products.

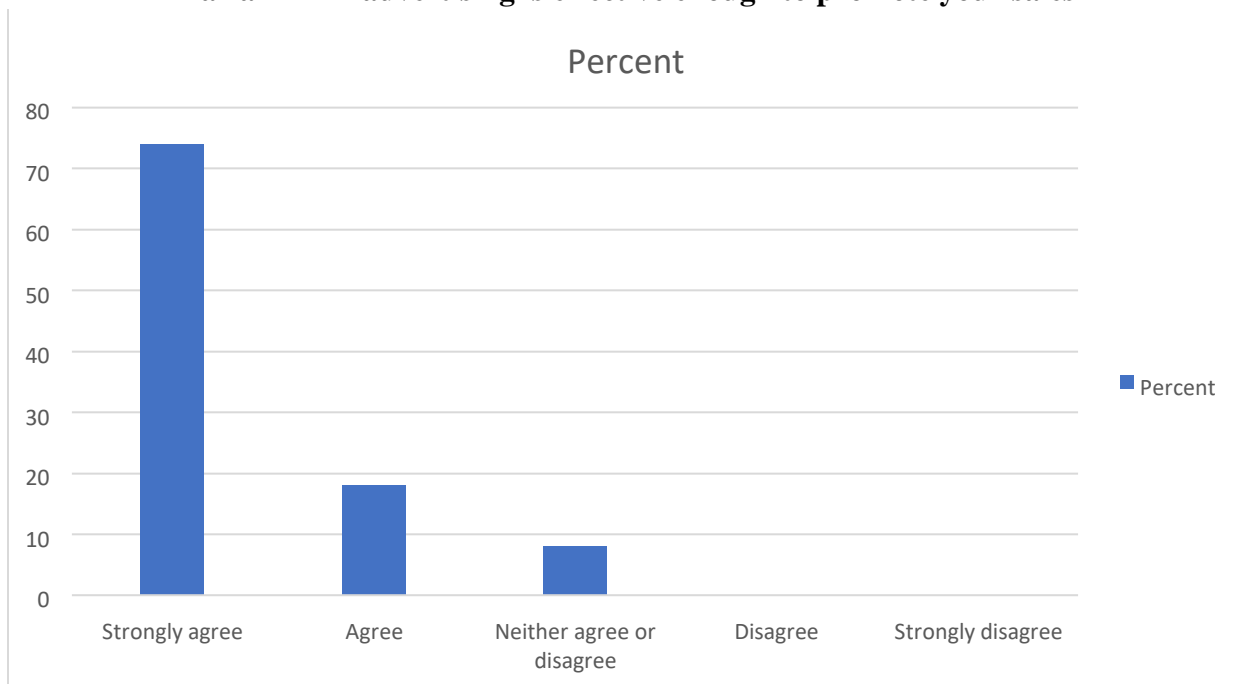
**TABLE NO 4.2.16**

**Kairali TMT advertising is effective enough to promote your sales**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	62	73.80
Agree	15	17.86
Neither agree or disagree	7	8.34
Disagree	0	0
Strongly disagree	0	0
<b>Total</b>	<b>84</b>	<b>100</b>

**CHART NO 4.2.16**

**Kairali TMT advertising is effective enough to promote your sales**



**INTERPRETATION**

In the above chart out of 84 dealers, 62 dealers strongly agree that the company provide an effective advertising which will hep to improve their sale, 15 dealers agree that Kairali TMT is having effective advertising and 7 dealers neither agree or disagree to the statement.

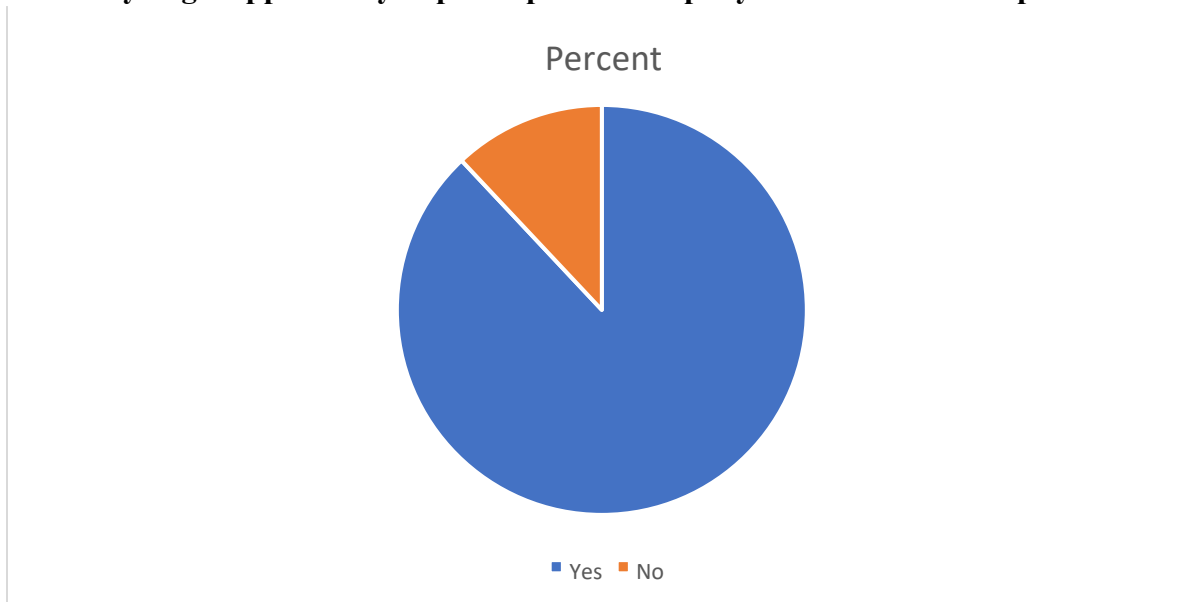
**TABLE NO 4.2.17**

**Did you get opportunity to participate in company's dealers sales competition?**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Yes	74	88.10
No	10	11.90
Total	84	100

**CHART NO 4.2.17**

**Did you get opportunity to participate in company's dealers sales competition?**



**INTERPRETATION**

In the above chart out of 84 dealers, 74 dealers got opportunity to participate in dealers sales competition and 10 dealers haven't participated in any dealers sale competition of Kairali TMT.

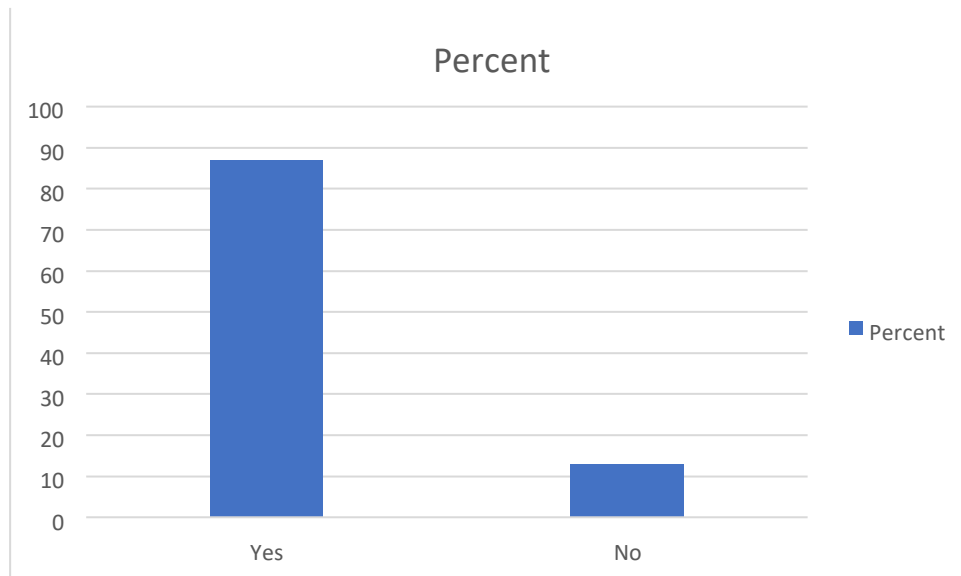
**TABLE NO 4.2.18**

**Will company provide any additional benefit if you achieve more than targeted sales?**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Yes	73	86.91
No	11	13.09
Total	84	100

**CHART NO 4.2.18**

**Will company provide any additional benefit if you achieve more than targeted sales?**



**INTERPRETATION**

In the above chart out of 84 dealers, 73 dealers says that they get additional benefits like award, gold schemes, seasonal benefits, etc from company if achieve more than targeted sales and 11 dealers says that they never got any benefits

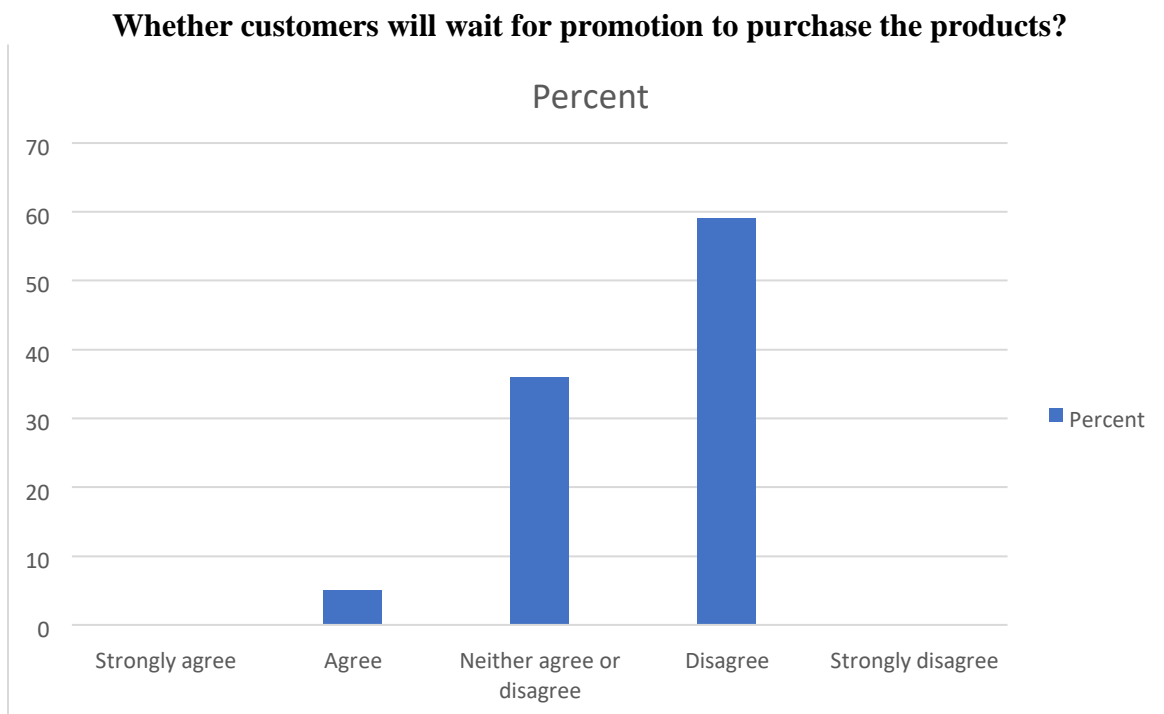
**TABLE NO 4.2.19**

**Whether customers will wait for promotion to purchase the products?**

<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
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Strongly agree	0	0
Agree	4	4.77
Neither agree or disagree	30	35.71
Disagree	50	59.52
Strongly disagree	0	0
Total	84	100

**CHART NO 4.2.19**



**INTERPRETATION**

In the above chart out of 84 dealers, 4 dealers says that customer will wait for promotion to purchase the product, 30 dealers neither agree or disagree that customers will wait for the promotion and 50 dealers disagree to the statement.

**TABLE NO 4.2.20**

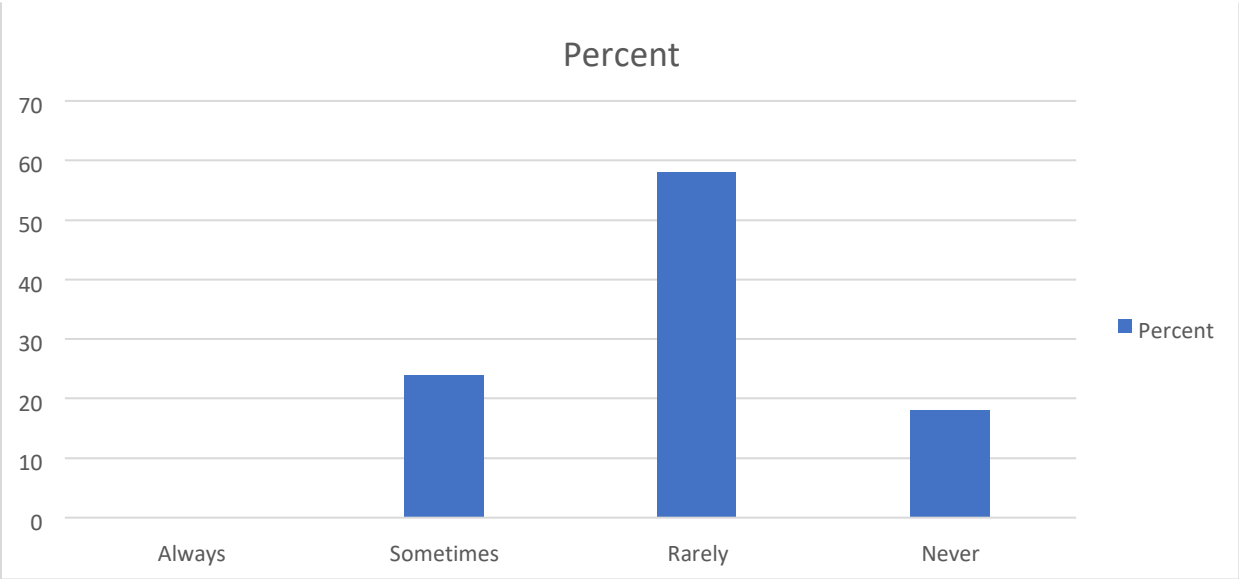
**Do you ever received complaints about Kairali TMT products?**

Particulars	Frequency	Percent
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Always	0	0
Sometimes	20	23.80
Rarely	49	58.34
Never	15	17.86
Total	84	100

**CHART NO 4.2.20**

**Do you ever received complaints about Kairali TMT products?**



**INTERPRETATION**

In the above chart out of 84 dealers, 20 dealers sometimes receive complaints about product, 49 dealers rarely get complaints about products and 15 dealers have never received complaints about the products of Kairali TMT.

## **CHAPTER 5**

### **DISCUSSION**

#### **5.1 Introduction**

The main objective of this research is to study the effect of different promotional techniques, which can affect the purchasing behaviour of consumers and sales promotion, and can also be used by the business for increased sales and promote their business. To this end, we took a couple of



promotional tools and two situational factors that affect consumer purchasing behaviour and sales promotion. These tools are price reduction and free sample. The situational factors are the physical surroundings, social surroundings which can be used to measure the buying behaviour and consumer sales promotion. The results of this study provided important information about the impact of promotional tools on consumer purchase behaviour and situational factor impact on sales promotion and also the sales promotion on buying behaviour. With regard to the tendency of customers for sales promotion, research has revealed that a free sample, the discount rate, the physical environment and the social environment played a more significant role in the development of consumer buying behaviour and sales promotion during consumer sales promotion.

## **5.2 Findings**

Sales promotion is a short term technique adopted by organizations for inducing the consumers and traders and it has gained momentum world wide. The study is related to a study related to

Kairali TMT steel bar's effective sale promotion and its effect on buying behaviour of consumer. Since dealers turned out to be the major influencers in the decision making process and I had collected information from 84 dealers of KAIRALI TMT steels and Alloys Pvt Ltd Kanjikode and their feedback was as follows:

- The study reveals that most of the respondents about 47.62% are under age category of 25-35 and only 11.90% respondents are above age of 50
- All respondents were male in this study and no female respondents in this study.
- 47.62 % of dealers were having experience of 0- 5 years and only 4.76% dealers have more 20 years of experience
- In this study about 65.48 % dealers strongly agree that Kairali TMT deliver products at right time and only 13.09% neither agree or disagree to the statement.
- About 45.24% dealers mainly use cash as mode of payment for purchasing products of Kairali TMT and only 17.86% dealers use credit mode of payment.
- In dealers opinion, about 66.67% of dealers says that Kairali TMT is having more demand than other competitive products.
- The study shows that 45.24 % of dealers says that the company is having average credit policy and only 9.53% dealers says that they poor credit policy.
- Most of the dealers about 69.05% have agreed that the company is having incentive programs.
- In this study, it shows that company introduce scheme for sales promotion during tough competition in sales period.
- 73.80% of dealers agrees that the sales of the product is increasing for last five years.
- From this study, it shows that most of the dealers take actions apart from company to increase the sales of the product. 50% of dealers conduct monsoon meeting to increase the sales.
- Most of the dealers, about 66.67% of dealers strongly agree that Kairali TMT effectively handle its sales promotion techniques and only 11.90% dealers neither agree or disagree to the statement.

- About 59.53% of dealers get to know about Kairali TMT product through TV advertisement and only 4.76 % of dealers got awareness about product through radio advertisement.
- Study shows that most of the dealers, about 69.04% strongly agree that they are satisfied with current sale promotion techniques of Kairali TMT and only 10.72% dealers neither agree or disagree to the statement.
- The study reveals that the 65.47% of dealers inform that Kairali TMT is having moderate price for their products compared to other competitive products and only 9.53% of dealers says that the product is having high price.
- Majority of dealers, about 73.80% of dealers strongly agree that Kairali TMT advertising is effective enough to promote their sales and only 8.34% dealers neither agree or disagree to the statement.
- The study shows that most of the dealers about 88.10% dealers got opportunity to participate in dealers sales competition and 11.90 % of dealers didn't get opportunity to participate in sale competition.
- 86.91% of dealers says that they will get additional benefits if they achieve more than targeted sales and only 13.09% of dealers says they didn't get any additional benefits.
- The study shows that 59.52% of dealers disagree that the customers will wait for promotion to purchase products and only 4.77% agree that the customers will wait for promotions.
- Most of the dealers, about 58.34% of dealers rarely receive complaints about Kairali TMT products and 17.86% dealers never received any complaints about the product.
- Attractive schemes always help to retain more dealers towards particular brand; simultaneously it gives an idea about the factors which dealers looks in the product before they make a final decision.
- The study shows the disparity in treatment of smaller and big retailers. Thus the company has to treat the entire retailers in the same manner.
- As per the respondents the quality of Kairali steels product is high as compared to the competitors. So the company should strive to maintain its quality.
- If the company wants to retain the dealers they need to give attractive promotional offers to the dealer. Then the company can retain the dealers and reduce the chance for brand switching.

- Promotional schemes should vary according to the market conditions.
- The dealers who consistently meet the expected sales need to be recognized by giving some award like KAIRALI steels & Alloys, best dealer of the year.

### **5.3 SUGGESTIONS**

- The company should maintain the additional incentive scheme offered to the dealers that are providing additional incentives on meeting or exceeding pre determined sales.

- Company need to create awareness about consumer oriented sales promotion schemes through mass media so they can increase sales.
- Kairali TMT steels should try to use pull strategies not not only price deals but also trade discount and cash discounts for making effective sales promotion
- The services provided by Kairali steels not very good, so try to improve their services to the dealers as well as the consumers.
- In the competitive market, the Kairali steels should try to concentrate their advertising more strongly.
- Kairali steels & Alloys Pvt Ltd should try to advertising through internet. It will helpful for a wider coverage.
- Maintain a good market share for their product become their product have the feature of ISO standard certification.
- The company should conduct dealers meet regularly. It will help to understand the company SWOT analysis.
- The company should adopt grievances redressal systems to cover all the complaints timely. So as to solve problems of dealers.
- Discount should be provided to the dealer for making bulk order. It will lead to large scale production.

#### **5.4 Limitation**

- Most of the respondents were reluctant to fill the questionnaire
- The allotted time was a constrain in conducting on exhaustive study

- The method of data collected mainly have affected the study
- The sample size restricted 84 which do not represent the entire population so 100% accuracy cannot be assured.

## **5.5 CONCLUSION**

Kairali steels & Alloys Pvt Ltd is one of the booming industries mainly because of the development in infrastructure happening around the world. So the company needs to maintain a strong

distribution channel and make their products available in the market at the right time with good quality and to be competitive in the market, because brand image is the decision making factor.

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## **APPENDIX**

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### **Questionnaire**

I Merin Baby, is doing my Post Graduate Business Administration. Given below is the questionnaire to prepare project report on KAIRALI Steel Alloys PVT effective sale promotion

techniques. The information collected will be used only for my academic purpose. I request you to kindly spend a few minutes of your time to fill out this questionnaire which forms a comprehensive part of my research. His is purely for academic purpose and I assure you that confidentiality of your response will be respected.

**PART-A (Personal details)**

1. Name of the employee:

2. Age:

a) 25 - 35  b) 36 - 45

c) 41- 50  d) 51 - 60

3. Gender: a) Male  b) Female

4. Year of service put in:

a) 0-5 years  c) b) 6-10 years  c)11-15 years

d) 16-20 years  e) Above 20 years

**PART-B (An overview of KAIRALI TMT)**

5. The items are delivered on time by KAIRALI TMT.

a) Strongly agree  b) Agree  c) Neither agree or disagree

d) Disagree  e) Strongly disagree

6. Which payment method is used?

a) Cash  b) Credit  c) Both

7. Which brand is having more in demand, in your opinion?

a) Kairali TMT  b) Paragon steels

c) Prince TMT  d) JSW Steel

8. How would you assess the business's credit policy?

a) Very good  b) Good  c) Average

d) Poor  e) Very poor

9. Does the company have any incentive programmes?

a) Yes  b) No

**PART-C (Perception of dealers regarding sales promotion)**

10. When do company introduce scheme for sales promotion?

a) During peak season  b) During off season

c) During fall in sales volume  d) During tough competition in sales

e) Any time

11. How would you rank your sales growth over the previous five years?

a) Constant  b) Increasing  c) Decreasing

12. Did you take any actions outside of the business to boost sales?

a) Monsoon meeting  b) Cash discount  c) Credit facility

13. KAIRALI TMT effectively handles its sales promotional strategies.

a) Strongly Agree  b) Agree  c) Neither agree or disagree

d) Disagree  e) Strongly Disagree

14. What made you aware of Kairali TMT steels?

- a) TV advertisement  b) Newspaper ad
- c) Radio Advertisement  d) Website
- e) Others

15. Satisfied with Kairali TMT current sale promotion techniques

- a) Strongly Agree disagree  b) Agree
- c) Neither agree or disagree  d) Disagree  e) Strongly Disagree

16. In comparison to similar products, how would you rank the price of the product?

- a) Very High  b) High  c) Moderate
- d) Low  e) Very Low

17. Is the KAIRALI TMT Pvt Ltd advertising is effective enough to promote your business's sales?

- a) Strongly Agree  b) Agree
- c) Neither agree or disagree  d) Disagree  e) Strongly Disagree

18. Did you get any opportunity to take part in the company's dealer's sales competition?

- a) Yes  b) No

19. Will the company provide any additional benefits if you achieve more than target sales?

- a) Yes  b) No

20. Whether customers will wait for promotion to purchase the products?

- a) Strongly Agree  b) Agree
- c) Neither agree or disagree  d) Disagree  e) Strongly Disagree

Do you ever receive complaints regarding the company's goods?

a) Always

b) Sometimes

c) Rarely

d) Never