

**A STUDY ON SALES PROMOTION ACTIVITIES OF VOLKSWAGEN  
INDIA WITH REFERENCE TO ABRA MOTORS PVT. LTD.**

**A PROJECT REPORT**

Submitted in partial fulfillment of the  
Requirements for the award of the degree of  
**MASTER OF BUSINESS ADMINISTRATION**

Submitted by  
**NOOR ASIK AHAMED MARAIKAR**

**REG NO:711600281**

Under the guidance of

**DR.S.G. BALAJI**

**MBA., M.Phil., PGDIB., Ph. D**

**Assistant Professor**

**Full Time- M.B.A**



**Measi Institute of Management**  
**(Affiliated to the University of Madras)**

**Chennai-600 014**

**JULY-2017**



## **MEASI INSTITUTE OF MANAGEMENT**

**(Affiliated to University of Madras)**

**#87, Peters Road, Royapettah, Chennai-600 014**

### **BONAFIDE CERTIFICATE**

This is to certify that the project report titled “**A STUDY ON SALES PROMOTION ACTIVITIES OF VOLKSWAGEN INDIA WITH REFERENCE TO ABRA MOTORS PVT. LTD.**” submitted by NOOR ASIK AHAMED MARAIKAR (Reg no:711600281) in partial fulfilment of the requirements of the Post-Graduate Degree course in Masters of Business Administration (M.B.A) for the academic year 2016-2017 is the original work of the above candidate.

**Dr. S. G. BALAJI  
AHMED  
PROJECT GUIDE**

**DR. D. NISAR  
DIRECTOR**

## **DECLARATION**

**I, NOOR ASIK AHAMED MARAIKAR REG NO:711600281** final year student of M.B.A Department of business Administration of MEASI INSTITUTE OF MANAGEMENT, CHENNAI would like to declare that the project entitled “**A STUDY ON SALES PROMOTION ACTIVITIES OF VOLKSWAGEN INDIA WITH REFERENCE TO ABRA MOTORS PVT. LTD.**”, is a bonafide work done by the researcher in partial fulfilment of M.B.A Degree course affiliated to University of Madras. The research submitted is my original work and true to the best of my knowledge and belief.

Place:

Date:

NOOR ASIK AHAMED

MARAIKAR

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# INTRODUCTION

## 1.1 SALES PROMOTION

Sales promotion is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term tactic to boost sales – it is rarely suitable as a method of building long-term customer loyalty. Some sales promotions are aimed at consumers. Others are targeted at intermediaries and at the firm's sales force.

Sales promotion is one of the five aspects of the promotional mix. (The other 4 parts of the promotional mix are advertising, personal selling, direct marketing and publicity/public relations.) Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates.

Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmicks by many.

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.

Sales promotion is implemented to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. It is made up of activities, both outside and inside



activities, to enhance company sales. Outside sales promotion activities include advertising, publicity, public relations activities, and special sales events. Inside sales promotion activities include window displays, product and promotional material display and promotional programs such as premium awards and contests.

Sale promotions often come in the form of discounts. Discounts impact the way consumers think and behave when shopping. The type of savings and its location can affect the way consumers view a product and affect their purchase decision. The two most common discounts are price discounts (“on sale items”) and bonus packs (“bulk items”). Price discounts are the reduction of an original sale by a certain percentage while bonus packs are deals in which the consumer receives more for the original price. Many companies present different forms of discounts in advertisements, hoping to convince consumers to buy their products.

## **1.2 DEFINITION OF SALES PROMOTION**

Sales promotion implies a wide variety of promotional activities. In the current marketing practices, the role of sales promotion has increased tremendously. Companies spare and spend millions of rupees to arrest consumer attention toward products and to arouse purchase interest. Sales promotional efforts also improve firm’s competitive position.

Such efforts seem inevitable in today’s marketing situation. It can also reduce the degree of consumer dissatisfaction. Nowadays, sales promotional efforts are undertaken for variety of purposes. It is among the most critical and expensive marketing decisions.

Sales promotion covers those marketing activities other than advertising, publicity, and personal selling that stimulate consumer purchasing and dealer effectiveness. Sales promotion mainly involves short-term and non-routine incentives offered to dealers as well as consumers. The popular methods used for sales promotion are demonstration, trade show, exhibition, exchange offer, seasonal discount, free service, gifts, credit facilities, contests, and so on.

Philip Kotler(1936) “Those marketing activities other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as display, shows, demonstrations, expositions, and various other non-current selling efforts, not in ordinary routine.”

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

Sales Promotion is one of the four aspects of promotion i.e. advertising, personal selling, and publicity/ public relations. According to AMA, “sales Promotion includes all those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective such as displays, shows and exhibitions, demonstrations and other non-recurrent selling efforts not used in the ordinary routine.”

“Sales promotion includes incentive-offering and interest-creating activities which are generally short-term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm’s customers.”

Sales promotion offers a direct inducement to act by providing extra worth over and above what is built into the product at its normal price. These temporary inducements are offered usually at a time and place where the buying decision is made. Not only are sales promotions very common in the current competitive market conditions, they are increasing at a fast pace. These promotions are direct inducements. In spite of the directness, sales promotions are fairly complicated and a rich tool of marketing with innumerable creative possibilities limited only by the imagination of promotion planners. Sales promotion is often referred to by the names of ‘extra purchase value’ and ‘below-the-line selling’.

Today we find companies in almost all sectors offering some sort of a promotion scheme. These sectors range from automobiles to beverages, from

financial services to foods, from household durables to services, from household products to business products, from personal care to textiles and apparel. (Boonrod, 2009).

In recent years, sales promotion has been used widely to supplement and coordinate advertising and personal selling efforts. Various sales promotion tools such as free samples, premium on sale, prize contests, dealer incentives, coupons and gifts, etc., are being used to stimulate market demand for products of daily use. The basic purpose is to stimulate on the spot buying through short term and non-recurring incentives.

### **CONCEPTS OF SALES PROMOTIONAL ACTIVITIES**

The sales promotion activities are

- Money off coupon
- Competition
- Discount voucher
- Free gifts
- Loyalty cards
- Advertisement
- Demo
- Exchange offer
- Loan
- Extended warranty
- Social Media marketing

**Money off coupons** customers receive coupons, or cut coupons out of newspapers or a products packaging that enables them to buy the product next time at a reduced price. This money coupon helps the customer to avail the discount on the next or upcoming purchases.

**Competitions** buying the product will allow the customer to take part in a chance to win a prize. The customers are provided a chance to participate in a competition and win an exciting prize.

**Discount vouchers** a voucher (like a money off coupon). Discount vouchers are same like the money voucher.

**Free gifts** a free product when buy another product. The customer is provided with a free gift at a time of purchase in order to retain the customer and provided better purchasing experience.

**Point of sale materials** e.g. posters, display stands – ways of presenting the product in its best way or show the customer that the product is there.

**Loyalty cards** e.g. Nectar and Air Miles; where customers earn points for buying certain goods or shopping at certain retailers – that can later be exchanged for money, goods or other offers

**Loyalty cards** have recently become an important form of sales promotion. They encourage the customer to return to the retailer by giving them discounts based on the spending from a previous visit. Loyalty cards can offset the discounts they offer by making more sales and persuading the customer to come back. They also provide information about the shopping habits of customers – where do they shop, when and what do they buy? This is very valuable marketing research and can be used in the planning process for new and existing products.

**Advertisement** is an audio or visual form of marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Sponsors of advertising are often businesses who wish to promote their products or services. Advertising is differentiated from public relations in that an advertiser usually pays for and has control over the message. It is differentiated from personal selling in that the message is non-personal, i.e., not directed to a particular individual. Advertising is communicated through various mass media, including old media such as newspapers, magazines, Television, Radio, outdoor advertising or direct mail; or new media such as search results, blogs, websites or text messages. The actual presentation of the message in a medium is referred to as an advertisement or "ad".

Commercial ads often seek to generate increased consumption of their products or services through "branding," which associates a product name or image with

certain qualities in the minds of consumers. On the other hand, ads that intend to elicit an immediate sale are known as direct response advertising. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Advertising may also be used to reassure employees or shareholders that a company is viable or successful.

In 2015, the world spent an estimate of US\$529.43 billion on advertising. Its projected distribution for 2017 is 40.4% on TV, 33.3% on digital, 9% on newspapers, 6.9% on magazines, 5.8% on outdoor and 4.3% on radio. Internationally, the largest ("big four") advertising conglomerates are Interpublic, Omnicom, Publicis, and WPP. In Latin, *ad vertere* means "to turn toward".

**Demo** A demonstration of a product or technique.

**Exchange offer** An exchange offer, in finance, corporate law and securities law, is a form of tender offer, in which securities are offered as consideration instead of cash.

**Loan** A loan is a debt provided by an entity (organization or individual) to another entity at an interest rate, and evidenced by a promissory note which specifies, among other things, the principal amount of money borrowed, the interest rate the lender is charging, and date of repayment. A loan entails the reallocation of the subject asset(s) for a period of time, between the lender and the borrower.

The loan is generally provided at a cost, referred to as interest on the debt, which provides an incentive for the lender to engage in the loan. In a legal loan, each of these obligations and restrictions is enforced by contract, which can also place the borrower under additional restrictions known as loan covenants. Although this article focuses on monetary loans, in practice any material object might be lent.

Acting as a provider of loans is one of the principal tasks for financial institutions such as banks and credit card companies. For other institutions, issuing of debt contracts such as bonds is a typical source of funding.

**Extended warranty** An extended warranty, sometimes called a service agreement, a service contract, or a maintenance agreement, is a prolonged warranty offered

to consumers in addition to the standard warranty on new items. The extended warranty may be offered by the warranty administrator, the retailer or the manufacturer. Extended warranties cost extra and for a percentage of the item's retail price. Occasionally, some extended warranties that are purchased for multiple years state in writing that during the first year, the consumer must still deal with the manufacturer in the occurrence of malfunction. Thus, what is often promoted as a five-year extended guarantee, for example, is actually only a four-year guarantee.

Extended warranties have terms and conditions which may not match the original terms and conditions. For example, these may not cover anything other than mechanical failure from normal usage. Exclusions may include commercial use, "acts of God", owner abuse, and malicious destruction. They may also exclude parts that normally wear out such as tires and lubrication on a vehicle.

These types of warranties are provided for various products, automobile and electronics are common examples. Warranties which are sold through retailers such as Best Buy may include significant commission for the retailer as a result of reverse competition. For instance, an auto warranty from a car dealership may be subcontracted and vehicle repairs may be at a lower rate which could compromise the quality of service. At the time of repair, out-of-pocket expenses may be charged for unexpected services provided outside of the warranty terms or uncovered parts.

**Social Media Marketing** is the use of social media platforms and websites to promote a product or service. Most of these social media platforms have their own built-in data analytics tools, which enable companies to track the progress, success, and engagement of ad campaigns. Companies address a range of stakeholders through social media marketing including current and potential customers, current and potential employees, journalists, bloggers, and the general public. On a strategic level, social media marketing includes the management of the implementation of a marketing campaign, governance, setting the scope (e.g. more active or passive use) and the establishment of a firm's desired social media "culture" and "tone". To use social media effectively, firms should learn to allow customers and Internet users to post user-generated content (e.g., online comments, product reviews, etc.), also known as "earned media", rather than use marketer-

prepared advertising copy. While social media marketing is often associated with companies, as of 2016, a range of not-for-profit organizations and government organizations are engaging in social media marketing of their programs or services.

## **1.2 PROFILE OF AUTOMOBILE INDUSTRY**

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing market globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2013. According to recent reports, India overtook Brazil and became the sixth largest passenger vehicle producer in the world (beating such old and new auto makers as Belgium, UK, Italy, Canada, Mexico, Russia, Spain and Brazil) grew 16 to 18 percent to sell around three million units in the course of 2012 and 2013. In 2009, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea and Thailand. In 2010, India beat Thailand to become Asia's third largest exporter of passenger cars.

As of 2010, India is home to 40 million passenger vehicles. More than 3.7 million automotive vehicles were produced in India in 2010 (an increase of 33.9%) making the country the second (after China) fastest growing automobile market in the world in that year. According to the Society of Indian Automobile Manufacturers, annual vehicle sales are projected to increase to 4 million by 2016, no longer 5 million as previously projected.

The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster consisting of Chennai is the biggest with 35% of the revenue share. The western hub near Mumbai and Pune contributes to 33% of the market and the northern cluster around the National Capital Region contributes 32%. Chennai houses the India operations of Ford, Hyundai, Renault, Mitsubishi, Nissan, BMW, Hindustan Motors, Daimier, Caparo, Mini and Datsun. Chennai accounts for 60% of the country's automotive exports. Gurgaon and Manesar in Haryana form the northern cluster where the country's largest car manufacturer, Maruti Suzuki is based. The Chakan corridor near Pune, Maharashtra is the western cluster with companies like General Motors, Volkswagen, Skoda, Mahindra and Mahindra, Tata Motors, Mercedes Benz, Land Rover, Jaguar, Fiat and Force Motors having assembly plants in the area. Nashik



has a major base of Mahindra and Mahindra with a SUV assembly unit, Aurangabad with Audi, Skoda and Volkswagen also forms part of the western cluster. Another emerging cluster is in the state of Gujarat with manufacturing facility of Gnerak Motors in Halol and further planned for Tata Nano at their plant in Sanand. Ford, Maruti Suzuki and Peugeot-Citroen plants are also set to come up in Gujarat. Kolkata with Hindustan Motors, Noida with Honda and Bangalore with Toyota are some of the other automotive manufacturing regions around the country.

In 2012, there were 3695 factories producing automotive parts in all of India. The average firm made US\$6 million in annual revenue with profits close to US\$400 thousand.

### **1.3 SCOPE OF THE AUTOMOBILE INDUSTRY**

One of the major investments and developments in the automobile sector in India are as follows:

- Electric car maker Tesla Inc. is likely to introduce its products in India sometime in the summer of 2017.
- South Korea's Kia Motors Corp is close to finalising a site for its first factory in India, slated to attract US\$1 billion (Rs 6,700 crore) of investment. It is deciding between Andhra Pradesh and Maharashtra. The target for operationalising the factory is the end of 2018 or early 2019.
- Several automobile manufacturers, from global majors such as Audi to Indian companies such as Maruti Suzuki and Mahindra & Mahindra, are exploring the possibilities of introducing driverless self-driven cars for India.
- BMW plans to manufacture a local version of below-500 CC motorcycle, the G310R, in TVS Motor's Hosur plant in Tamil Nadu, for Indian markets.
- Honda Motorcycle and Scooter India (HMSI) has inaugurated its 900th Honda Authorised Exclusive Dealership in India, thereby taking its total dealership network to 4,800 across the country and further plans to increase its network to 5,300 by end of 2016-17.
- Hero MotoCorp Ltd seeks to enhance its participation in the Indian electric vehicle (EV) space by pursuing its internal EV Programme in addition to investing Rs 205 crore (US\$ 30.75 million) to acquire around 26-30 per cent stake in Bengaluru-based technology start-up Ather Energy Pvt Ltd.
- JustRide, a self-drive car rental firm, has raised US\$ 3 million in a bridge round of funding led by a group of global investors and a trio of Y Combinator partners, which will be utilised to amplify JustRide's car sharing platform JustConnect and Yabber, an internet of things (IoT) device for cars that is based on the company's smart vehicle technology (SVT).
- Ford Motor Co. plans to invest Rs 1,300 crore (US\$ 195 million) to build a global technology and business centre in Chennai, which will be designed as a hub for product development, mobility solutions and business services for India and other markets.
- Cummins has plans to make India an export hub for the world, by investing in top components and technologies in India.

- Suzuki Motor Corporation, the Japan-based automobile manufacturer, plans to invest Rs 2,600 crore (US\$ 390 million) for setting up its second assembly plant in India and an engine and transmission unit in Mehsana, Gujarat.
- Mr Masayoshi Son, Chief Executive Officer, SoftBank Group, has stated that Ola Cabs may introduce a fleet of one million electric cars in partnership with an electric vehicle maker and the Government of India, which could help reduce pollution and thereby transform the electric mobility sector in the country.
- China's biggest automobile manufacturer, SAIC Motor, plans to invest US\$ 1 billion in India by 2018, and is exploring possibilities to set up manufacturing unit in one of three states – Maharashtra, Andhra Pradesh and Tamil Nadu.
- Suzuki Motorcycle India Pvt Ltd has started exports of made-in-India flagship bike Gixxer to its home country of Japan, which will be in addition to current exports to countries in Latin America and surrounding countries.
- General Motors plans to invest US\$ 1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.
- FIAT Chrysler Automobiles has recently invested US\$280 million in its Ranjangaon plant to locally manufacture Jeep Compass, its new compact SUV which will be launched in India in August 2017.

## **1.4 GLOBAL SCENARIO OF AUTOMOBILE INDUSTRY**

In the initial years, most of the manufacturing activities were concentrated in the USA and in some of the European countries. Though, these countries still account for a significant share in the production, more and more volume of production comes from other parts of the world, like China, Japan and Korea. Around three-fourths of the global production is being carried out in top 10 producing countries, in 2007. Of these, Japan, USA and China, cumulatively constitute over 40% of global production.

The last decade has experienced a growing level of motorization, as reflected by the production of automobiles. According to OICA, Japan is the largest producer of cars in the world followed by China, Germany, USA, South Korea and France. India ranks 9th in the production of cars in the world ahead of UK, Canada, Russia and Mexico. USA is the largest producer of commercial vehicles; close competitors in production of commercial vehicles are China, Japan, Canada, Thailand and Mexico. India ranks 8th in the production of commercial vehicles and is ahead of countries like Brazil, Germany, France and Turkey.

### **EXPORTS**

India's automobile exports have grown consistently and reached \$7.5 billion in 2012, with UK being India's largest export market followed by Italy, Germany, Netherland and South Africa. India's automobile exports are expected to cross \$14 billion by 2015.

According to New York Times, India's strong engineering base and expertise in the manufacturing of low-cost, fuel-efficient cars has resulted in the expansion of manufacturing facilities of several automobile companies like Hyundai, Nissan, Toyota, Volkswagen and Maruti Suzuki.

In 2011, South Korean multinational Hyundai Motors alone exported 240,000 cars made in India. Nissan Motors plans to export 250,000 vehicles manufactured in India plant in 2015.

In 2009, Ford Motors planted in India with an annual capacity of 250,000 cars for US\$500 million. The cars will be manufactured both for Indian market and for

export. The company said that plant was a part of its plan to make India the hub for its global production business. Fiat Motors also announced that it would source more than US\$1 billion worth auto components from India.

In recent years, India has emerged as a leading centre for the manufacture of small cars. Hyundai, the biggest exporter from the country, now ships more than 250,000 cars annually from India. Apart from Hyundai exports shipments to other markets, Hyundai also manufactures small cars for Nissan, which sells them in Europe. Nissan will also export small cars from its new Indian assembly line. Tata Motors exports its passenger vehicles to Asian and African markets and is in preparation to launch an electric vehicle in Europe in 2015. The firm is also launched its electric version of its low-cost car the Tata Nano in Europe and US. Mahindra & Mahindra is preparing to introduce its pickup trucks and small SUV models in the US market. Bajaj Auto is designing a low-cost car for Renault Nissan Automotive India, which will market the product worldwide.

## **1.5 INDIAN SCENARIO OF AUTOMOBILE INDUSTRY**

India's Automotive Mission Plan (AMP) 2006-2016 is a collaborative effort between the Indian government, the automotive industry, and academia.<sup>11</sup> The stated vision of AMP is for India "to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of U.S. \$145 billion accounting for more than 10 percent of the GDP and providing additional employment to 25 million people by 2016."<sup>12</sup> India is currently the eleventh largest passenger car market in the world and aims to be the seventh largest market by 2016. While the auto industry has experienced strong growth over the past decade, it still plays a small role in the global industry. According to AMP, India has about 2.37 percent of the world production of passenger and commercial vehicles and exports from India contribute approximately 0.3 percent of the global auto trade.

The AMP makes a number of suggestions for actions to be taken by both the government and industry in order for India to fulfil the goals laid out in the plan. For example, they estimate an investment of approximately \$35-40 billion in the auto sector over the 2006-2016-time period will be required to implement AMP. The government's responsibility would be to "facilitate infrastructure creation, promote the country's capabilities, create a favourable and predictable business environment, attract investments and promote R&D."<sup>13</sup> Industry's responsibility concerns issues such as designing and manufacturing quality products, improving productivity, maintaining costs, among others. AMP also calls for the formation of an appropriate development policy; improving road, rail, port, and energy infrastructure; expanding demand for automobiles domestically; and, developing a roadmap to address environmental and safety concern.

Volkswagen is one of the fast growing company in the automobile market with superior quality product and varieties of cars in India. The Volkswagen is one of the top automobile company exports it's to 145 countries throughout the world. Volkswagen in India has gained a good reputation among its customer for its quality and design. Volkswagen is about to be the market leader in the year 2020, as they are manufacturing hatch back cars for its customers

## 1.6 SWOT ANALYSIS OF AUTOMOBILE INDUSTRY

Strengths	Weaknesses
<ol style="list-style-type: none"> <li>1 The widest brand portfolio among all automotive companies</li> <li>2 New “TOGETHER – 2025” strategy</li> <li>3 Diversification strategy</li> <li>4 Synergy between brands</li> <li>5 Joint ventures with local Chinese automakers</li> </ol>	<ol style="list-style-type: none"> <li>1 Negative publicity weakening the whole brand</li> <li>2 The highest recall rate in the U.S. market</li> <li>3 Low market share in the U.S. automotive market</li> <li>4 Little expertise and no competence in making battery driven vehicles</li> </ol>
Opportunities	Threats
<ol style="list-style-type: none"> <li>1 Fuel prices are expected to rise in the near future</li> <li>2 Acquire skills and competences through acquisitions</li> <li>3 Demand for autonomous vehicles</li> <li>4 Weakening euro exchange rate</li> <li>5 Focus on significantly improving sustainability policies to remedy damaged brand reputation</li> </ol>	<ol style="list-style-type: none"> <li>1 Intense competition</li> <li>2 Further fines and damages that will have to be paid</li> <li>3 Increasing government regulations</li> </ol>

## **1.7 TRENDS AND FUTURE AUTOMOBILE INDUSTRY**

Technology-driven trends will revolutionize how industry players respond to changing consumer behavior, develop partnerships, and drive transformational change.

Today's economies are dramatically changing, triggered by development in emerging markets, the accelerated rise of new technologies, sustainability policies, and changing consumer preferences around ownership. Digitization, increasing automation, and new business models have revolutionized other industries, and automotive will be no exception. These forces are giving rise to four disruptive technology-driven trends in the automotive sector: diverse mobility, autonomous driving, electrification, and connectivity.

Most industry players and experts agree that the four trends will reinforce and accelerate one another, and that the automotive industry is ripe for disruption. Given the widespread understanding that game-changing disruption is already on the horizon, there is still no integrated perspective on how the industry will look in 10 to 15 years as a result of these trends. To that end, our eight key perspectives on the "2030 automotive revolution" are aimed at providing scenarios concerning what kind of changes are coming and how they will affect traditional vehicle manufacturers and suppliers, potential new players, regulators, consumers, markets, and the automotive value chain.

This study aims to make the imminent changes more tangible. The forecasts should thus be interpreted as a projection of the most probable assumptions across all four trends, based on our current understanding. They are certainly not deterministic in nature but should help industry players better prepare for the uncertainty by discussing potential future states.

Driven by shared mobility, connectivity services, and feature upgrades, new business models could expand automotive revenue pools by about 30 percent, adding up to \$1.5 trillion.



The automotive revenue pool will significantly increase and diversify toward on-demand mobility services and data-driven services. This could create up to \$1.5 trillion—or 30 percent more—in additional revenue potential in 2030, compared with about \$5.2 trillion from traditional car sales and aftermarket products/services, up by 50 percent from about \$3.5 trillion in 2015 (Exhibit

Connectivity, and later autonomous technology, will increasingly allow the car to become a platform for drivers and passengers to use their time in transit to consume novel forms of media and services or dedicate the freed-up time to other personal activities. The increasing speed of innovation, especially in software-based systems, will require cars to be upgradable. As shared mobility solutions with shorter life cycles will become more common, consumers will be constantly aware of technological advances, which will further increase demand for upgradability in privately used cars as well.

## **1.8 PROFILE OF ABRA MOTORS PVT. LTD.**

Abra Motor Private Limited was founded in the year 2008 by Buhari Groups. The founder was B. S. Abdur Rahaman. Buhari Groups is mainly focusing on constructions, buildings, automobile industry, trading and so on. Abra Motors got a dealership for the Volkswagen in the year 2008. Buhari groups has dealerships for Mercedes-Benz, fiat and Mahindra. The name Abra Motors signifies the founder of the company “Abdur Rahaman Motors Private Limited” The Main moto of founding this company is to enhance good service and provide good quality of cars to its customers.

Abra motors has received so many awards for its excellent services in automobile industry.

- RQWC Gold Medal Winner in Technician category – 2016
- RQWC Silver Medal Winner in Advisor category – 2016
- Motor Vikatan – 2017
- NDTV cars and bikes Award – 2017

Abra Motors Private Limited is the first exclusive showroom in Southern India for Volkswagen. The showroom is located in Nandanam with around 54 employees working under them. Abra Motors Private Limited has two branch in and around Chennai. The branches are located in Nandanam and Ambathur. Abra Motor is well known for its service and quality in automobile industry.

### **MISSION**

- To enhance the customer satisfaction and a quality services.

### **VISION**

- To be No.1 in the automobile industry throughout India.

## **1.9 NEED OF THE STUDY**

The success of the organisation is highly dependent on the sales. The organisation has to implement the effective sales promotion to improve the sales to increase profits.

Sales promotional activity not only satisfy the organisational goal, it fulfils the customer and helps in acquiring new customers.

Building an effective sales promotion strategy helps organisation in acquiring new customers to consume the product.

The aim of sales promotion is to introduce a new product in the market.

This study attempts to assess the promotional activities of the organisation.

## **1.10 OBJECTIVES OF STUDY**

### **Primary objective**

To study the sales promotional activities of Volkswagen India with reference to Abra Motors Private Limited.

### **Secondary objectives**

- To study the effectiveness of the sales promotional activity of Abra Motors (VW dealership).
- To find out the customer opinion about the promotional activity of Abra Motors Private Limited (VW dealership)
- To find out the promotional practices of Abra Motors Private Limited (VW dealership).

## **1.11SCOPE OF THE STUDY**

The study indicates promotional programs such as sampling, couponing, sales inducing etc. carried out through various locations in Chennai. Creation and implementation of new promotional events. The study will be sales oriented character of any promotion. The study focuses on the target groups. Study on effective management of promotional material and free product handling. Follow up of any promotion activity.

## REVIEW OF LITERATURE

Sales promotion is one of the five aspects of the promotional mix. (The other 4 parts of the promotional mix are advertising, personal selling, direct marketing and publicity/public relations.) Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates.

Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmicks by many.

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes. The review of the scholar are as follows:

**VV Subha Rao (2017)** India has recognized the importance of S&T with the Science Policy Resolution of 1958 and the Technology Policy Statement of 1983. She is concentrating on the development of indigenous technology together with the effective absorption and adaptation of appropriate imported technology. To this end many tax incentives have been given to private sector industry, and other aids to the public sector, to set up R&D units. India has achieved self-reliance in several areas and near self-sufficiency in many other through the promotional measures taken by the government and the active role played by industry.

**Allen, C. Pharm Med (2016)** Reviewing promotional materials for pharmaceutical products is important to help ensure their high quality and allow recipients to be well-informed about benefits and risks. This article provides an overview of control mechanisms that can influence the overall quality of the product combined with practical advice, based on personal US and international experience. US case reports are used to illustrate examples of promotional violations, and the consequences of government enforcement.

**Nikolaos Georgantzis , Christian Boris Brunner (2016)** The term promotional effort refers to all strategies aimed at broadening a firms' market scope through the establishment of a larger and more loyal consumer basis. Advertising, public relations, sales promotion, personal selling as well as price-related strategies affecting a firm's sales potential are addressed. Both positive and normative approaches are briefly reviewed, discussing the theoretical and empirical issues studied in the existing literature.

**A'dillah Mustafa, Intan Nurbaizura Zainuddin, Sufy Rabea Adawiya Idris, and Muhamad Faizal Abd Aziz (2015)** The web 2.0 applications such as Facebook and Twitter have been widely used by academic library as a new communication channel to gain the user feedback and insight towards their services and activities. This paper discussed the effectiveness of these two applications; Facebook and Twitter in promoting library services in one academic library with the research university status in Malaysia. This study reported the pilot study of the main research entitled "The effectiveness of Web 2.0 application in promoting library services in Malaysian research university libraries.

**Dr. Sc. Almira Curri-Mehmeti (2015)** Public relations give opportunity to the organization to present its image and personality to its own "public"- users, supporters, sponsors, donors, local community and other public. It is about transferring the message to the public, but that is a two-way street. You must communicate with your public, but at the same time you must give opportunity to the public to communicate easier with you. The real public relations include dialog – you should listen to the others, to see things through their perspective. This elaborate is made with the purpose to be useful for every organization, not for the

sensational promotion of its achievements, but to become more critical towards its work. Seeing the organization in the way that the other see it, you can become better and sure that you are giving to your users the best service possible.

**Terence A. Shimp, J. Craig Andrews (2014)** Market-leading Advertising, Promotion and other aspects of integrated marketing communication, 9th Edition discusses all aspects of marketing communications, from time-honoured methods to the newest developments in the field. Delivering the fundamentals, you need, the text focuses on advertising and promotion, including planning, branding, media buying, sales, public relations, and much more. Emerging topics get special attention in this edition, such as the enormous popularity of social media outlets, online and digital practices, viral communications, and personal selling, along with all of their effects on traditional marketing.

**Martin R. Schlissel (2014)** Promotion strategy of the better marketers in the sample emphasizes heavier advertising and more personal selling effort than the competition. Nevertheless, promotion is a major problem for all sample members, in part because of consumer perceptions of high risk in the purchase of services.

**John Sinclair (2013)** Outside of North America and Europe, Latin America is the world region with the longest history and closest engagement with the globalization of the advertising industry. US-based advertising agencies were opening up offices in selected Latin American capitals as early as the 1920s, and Mexicans and Brazilians had their own thriving agencies before World War II. The establishment and growth of radio on a commercial basis in the major countries of the region were decisive in laying the basis for the subsequent commercialization of television, not only as the premium advertising medium, but also as a political and cultural institution which remains uniquely Latin.

**Ken Kasar (2012)** Advertising and sales promotion is a comprehensive introduction to the principles and practices of advertising. The course explores the social, ethical, and legal issues of advertising, historical influences, strategies, and media decision processes as well as integrated marketing communications. You will gain knowledge of techniques used in current advertising, including print,



broadcast, and digital. The text provides an overview of how communication tools can be used to reach target audiences and increase consumer knowledge.

**Mitch Carson (2011)** In the silent salesmen, Carson introduces his proven, simple promotional product strategies that are guaranteed to increase sales and profits. Business owners and marketers will discover step-by-step tips on how to develop and implement a versatile marketing plan that encompasses ready-to-use samples of sales materials paired with unique and memorable promotional products. Combined, these tools will make for an extremely effective (and profitable) marketing message.

**Roddy Mullin (2010)** Sales promotion is one of the most powerful weapons available to sales and marketing staff, and is used more than any other type of marketing- because it works. Almost 60% of consumers regularly take advantage of some form of sales promotion each month. Packed with practical examples as well as new and updated case studies, the fifth edition details new developments in sales promotion, exploring the ways in which it can be used in conjunction with new media such as interactive TV, web-based advertising and mobile marketing. Sale Promotion also highlight the tried and tested methods that companies use to stay ahead, revealing the winning offers that gain new customers and keep existing ones happy.

**Frank Kuper (2008)** Advertising and sales promotion employs relevant ads, exhibits, and photographs to capture your interest and through its writing style, gives a solid understanding of advertising along with the challenges facing the promotion, advertising, and marketing industries today. Prepare for the high energy excitement of advertising today with the powerful, leading content in, its accompanying supplements, and author-driven learning and teaching support.

## **3.1 RESEARCH METHODOLOGY**

### **3.1.1 RESEARCH DESIGN**

- Descriptive research design
- Casual research design

In this study, the descriptive research design is used to carry out the study. It helped us to differentiate the people opinion about the occurring events.

### **3.1.2 Sampling**

Sampling allows concentrating our attention upon a relatively smaller number of people and hence, to devote more energy to ensure that the information collected from them is accurate.

#### **Sampling Design**

A sample design is an infinite plan for obtaining a sample fro, given population. It refers to the technique or the procedure that the research would adopt in selecting items for a sample.

#### **Sampling Method**

##### **Convenience Sampling:**

Convenience Sampling, as the name implies is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

- **Sampling Unit Target**

The main target for this study is customers of the store.

- **Sampling Size**

The sample size for the study is calculated by using the appropriate formula.

### FORMULA FOR FINITE POPULATION:

$$n = \frac{N (\sigma)^2 \cdot (Z)^2}{(N - 1) (D)^2 + (\sigma)^2 (Z)^2}$$

**Where n** = Sample size with future population correction

**N** = Population size,

**$\sigma$**  = Standard deviation,

**Z** = Z statistic for a level of confidence,

**D** = Precision (If the precision is 10%, then d = 0.10)

$$\begin{aligned} \sigma &= 48.151 \\ &= \frac{48.151}{20} = 2.41 \quad \sigma = 2.41 \\ &= \frac{200 (2.41)^2 \cdot (1.645)^2}{(200-1) (0.05)^2 + (2.41)^2 (1.645)^2} \\ &= \frac{3143.37}{16.21} = \frac{3143.37}{16.21} = 193.313 \end{aligned}$$

Therefore 193 sample are take but 20 are not eligible for the further analysis. Hence the sample size is 173 is considered for the study.

**Sample Size = 173.**

### 3.1.3 Data Collection Method

Quantitative and Qualitative Data collection methods. The Quantitative data collection methods rely on random sampling and structured data collection instruments that fit diverse experiences into predetermined response categories. They produce results that are easy to summarize, compare, and generalize. The method of data collection includes two type of study, such as primary data and secondary data.

## **Primary Data Collection Methods**

Primary data is received from first hand sources such as: direct observation, interview, survey, and questionnaire etc. On the other hand, secondary data is received from secondary sources such as: printed material and published material etc. Here, we will only discuss the primary sources of data collection.

### **Methods of primary data collection**

#### **Observation Method**

This is a method of primary data collection in which researchers collect data based on their personal observation. For-example if a researcher wants to collect data about the employee's job satisfaction in any organization. For this purpose researcher will interact with employees to observe their behaviour in order to assess their job satisfaction. Take another example, suppose in case of textile industry, investigator wants to identify job satisfaction of machine operators and different workers; he/she would select the respondents through random sampling

#### **Personal Interview**

This is a method of primary data collection in which questionnaire is used as a data collection tool. Several interviewers are sent to the respondents with interview questionnaire under the guidance of research in defined interview environment. It is described in terms of time, place and numerous other factors which have influence over interviewees. Personal interviews are categorized into self-administered questionnaires; door-to-door interview, mall intercept surveys, executive interview and purchase intercept technique.

#### **Telephone Interview Schedule**

This is one of the most significant primary data collection methods. The significant features of the telephone interview are: selecting telephone numbers, call timing, call outcomes and call report. Telephone interview is known as dominant and cost-effective method because of the following reasons:

- Higher chance to reach the respondents at any place (geography).
- Saving travel time and cost.

- Low overall interview conducting time of sample as compared to other methods.
  - Higher chances of random selection of units among the population having telephone connections.

### **Mail Survey**

Mail survey is a primary data collection method in which questionnaire is used as a data collection tool. In mail survey, researchers mail questionnaires to the respondents. The respondents then fill the questionnaire and return at their convenience. Some of the important advantages of using mail survey for data collection are given below:

- Less time and cost of data collection.
- Greater population coverage.
- Absence of the interview's bias.

Reaching out to the customer (Abra motors) was difficult in the study. In this study, I have used telephonic schedule interview, personal interview and mail survey to collect the data or information required to conduct the study. Many customers are happy with telephonic schedule interview as they allotted some valuable time of theirs to answer all my questions.

### **Tools used for data collection**

To make a research, various surveys are conducted. They are as follows:

The various data collected are from primary and secondary source through the questionnaires: books, journals, old reports and annual report were used. Personal interview was really helpful to understand the emotions and expectation of the customer of the company. Both telephonic interview and personal interview were helpful for me to collect the data and information.

### **SECONDARY DATA COLLECTION METHODS**

The secondary data are readily available from the other sources and as such, there are no specific collection methods. The researcher can obtain data from the sources both internal and external to the organization. The internal sources of secondary data are:

- Sales Report
- Financial Statements

- Customer details, like name, age, contact details, etc.
- Company information
- Reports and feedback from a dealer, retailer, and distributor
- Management information system

There are several external sources from where the secondary data can be collected. These are:

- Government censuses, like the population census, agriculture census, etc.
- Information from other government departments, like social security, tax records, etc.
- Business journals
- Social Books
- Business magazines
- Libraries
- Internet, where wide knowledge about different areas is easily available.

In the study, secondary data was much helpful to analysis about the company and peoples opinion about the company. Specially this secondary data helped me to find sales report of the company in past years and analysis the problem faced by the organization. The secondary data help me observing the reality of the Volkswagen cars and their market share.

## Descriptive

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Age of the respondent	173	1	3	2.06	.666
Gender of respondents	173	1	2	1.30	.460
Occupation	173	1	4	2.31	1.064
Marital status	173	1	3	1.61	.500
Income of the respondents	171	1	5	3.59	1.442
Visit of Abra Motors	172	1	2	1.03	.168
Came to know about us	173	1	6	2.64	1.299
Ease of location	173	1	4	1.53	.669

Ambience of the location	173	1	3	1.40	.578
Effectiveness of exchange offer and loyalty programmes	173	1	5	2.23	1.143
Availability of demo cars	173	1	3	1.15	.374
Satisfaction free gifts provided at the delivery	173	1	5	2.43	.984
Test drive offered	173	1	2	1.10	.299
Experience on test drive	173	1	5	2.14	1.309
Attractiveness and Ethics of advertisement	173	1	5	2.59	1.131
Visit of our website	173	1	3	1.78	.706
Liked respondents of our social media page	173	1	3	1.91	.684
Performance of our website and social media page	173	1	5	2.01	.896
Attractiveness of competition	173	1	3	2.14	.713
Insurance policy for new cars	173	1	5	2.01	.940
Effectiveness of loyalty programmes	173	1	5	2.05	1.052
Satisfaction level of respondent through discount policy	173	1	5	2.25	1.182
Rating of Abra Motors Private Limited	173	1	5	1.86	.919
Referrals to others	173	1	3	1.27	.562
Satisfaction level of extended	173	1	5	1.99	1.045

warranty policy					
Availability of exchange offer and loyalty programmes	173	1	3	1.45	.702
Valid N (listwise)	170				2.41

The standard deviation is calculated by the SPSS software (Version 23)

### 3.1.4 Pilot study

Reliability Statistics	
Cronbach's Alpha	N of Items
.753	21

### 3.1.5 Hypothesis

Hypothesis is considered as the most important instrument in research. A hypothesis is an assumption or some assumption to be proved or disapproved.

The alternative hypothesis is the logical opposite of the null hypothesis.

1. There is no significant between the age and satisfaction level of respondents on the discount policy.
2. There is no significant between the gender and satisfaction level of respondents on the discount policy.
3. There is no association difference between the income group and satisfaction level of respondents on discount policy.
4. There is no association difference between the occupation and satisfaction level of respondents on discount policy.

### 3.1.6 STATISTICAL TOOL

#### I. Chi-square test:

In this study, we have used 2 chi-square test.

1. There is significant between the age and satisfaction level of respondents on the discount policy.



2. There is significant between the gender and satisfaction level of respondents on the discount policy.

Chi-square test is used for the study. Chi-square helped us to find the significant difference between the age and satisfaction level of the respondent's discount policy and to find significant between the gender and satisfaction level of the respondents on the discount policy. Chi-square test is one of the important tests developed to test hypothesis. It is a non-parametric test. It is frequently used for testing hypothesis concerning the difference between a set of observed frequencies of a sample and corresponding set of expected or theoretical frequencies.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where O = observed frequencies,

E = expected frequencies,

Degree of freedom (v) = n-k

n = number of frequency classes

k = number of independent constraints.

For a contingency table with 'r' number of rows and 'c' number of columns the degree of freedom is  $V = (r-1)(c-1)$

## II. ONE WAY ANOVA

In this study, we have used 1 One way ANOVA in order to study the association difference between the income group and satisfaction level of the customer.

1. There is association difference between the income group and satisfaction level of respondents on discount policy.
2. There is association difference between the occupation and satisfaction level of respondents on discount policy.

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups. This guide will provide a brief introduction to the one-way ANOVA, including the assumptions of the test and

when you should use this test. If you are familiar with the one-way ANOVA, you can skip this guide and go straight to how to run this test in SPSS Statistics.

When you choose to analyse your data using a one-way ANOVA, part of the process involves checking to make sure that the data you want to analyse can actually be analysed using a one-way ANOVA. You need to do this because it is only appropriate to use a one-way ANOVA if your data "passes" six assumptions that are required for a one-way ANOVA to give you a valid result. In practice, checking for these six assumptions just adds a little bit more time to your analysis, requiring you to click a few more buttons in SPSS Statistics when performing your analysis, as well as think a little bit more about your data, but it is not a difficult task.

Before we introduce you to these six assumptions, do not be surprised if, when analysing your own data using SPSS Statistics, one or more of these assumptions is violated (i.e., is not met). This is not uncommon when working with real-world data rather than textbook examples, which often only show you how to carry out a one-way ANOVA when everything goes well! However, don't worry. Even when your data fails certain assumptions, there is often a solution to overcome this. First, let's take a look at these six assumptions:

- **Assumption #1:** Your **dependent variable** should be measured at the **interval** or **ratio level** (i.e., they are **continuous**). Examples of variables that meet this criterion include revision time (measured in hours), intelligence (measured using IQ score), exam performance (measured from 0 to 100), weight (measured in kg), and so forth. You can learn more about interval and ratio variables in our article: Types of Variable.
- **Assumption #2:** Your **independent variable** should consist of **two or more categorical, independent groups**. Typically, a one-way ANOVA is used when you have **three or more** categorical, independent groups, but it can be used for just two groups (but an independent-samples t-test is more commonly used for two groups). Example independent variables that meet this criterion include ethnicity (e.g., 3 groups: Caucasian, African American and Hispanic), physical

activity level (e.g., 4 groups: sedentary, low, moderate and high), profession (e.g., 5 groups: surgeon, doctor, nurse, dentist, therapist), and so forth.

- **Assumption #3:** You should have **independence of observations**, which means that there is no relationship between the observations in each group or between the groups themselves. For example, there must be different participants in each group with no participant being in more than one group. This is more of a study design issue than something you can test for, but it is an important assumption of the one-way ANOVA. If your study fails this assumption, you will need to use another statistical test instead of the one-way ANOVA (e.g., a repeated measures design). If you are unsure whether your study meets this assumption, you can use our Statistical Test Selector, which is part of our enhanced guides.

### **3.1.7 STATISTICAL PACKAGE USED (VERSION 23)**

For the recent study we have used SPSS package version 23 for the analysis and output. IBM® SPSS® Statistics is the world's leading statistical software that is used to solve business and research problems by using ad hoc analysis, hypothesis testing, and predictive analytics. Organizations use IBM SPSS Statistics to understand data, analyze trends, forecast, and plan to validate assumptions and drive accurate conclusions.

### **3.1.8 LIMITATIONS OF THE STUDY**

- The study conducted may have information given from the customers.
- The information obtained or the collection of data is limited.
- The geographical limit of the study was restricted to Chennai region.
- The time given to collect the sample was limited.
- The information was not filled properly by the respondents.

## 4. DATA ANALYSIS AND INTERPERTATION

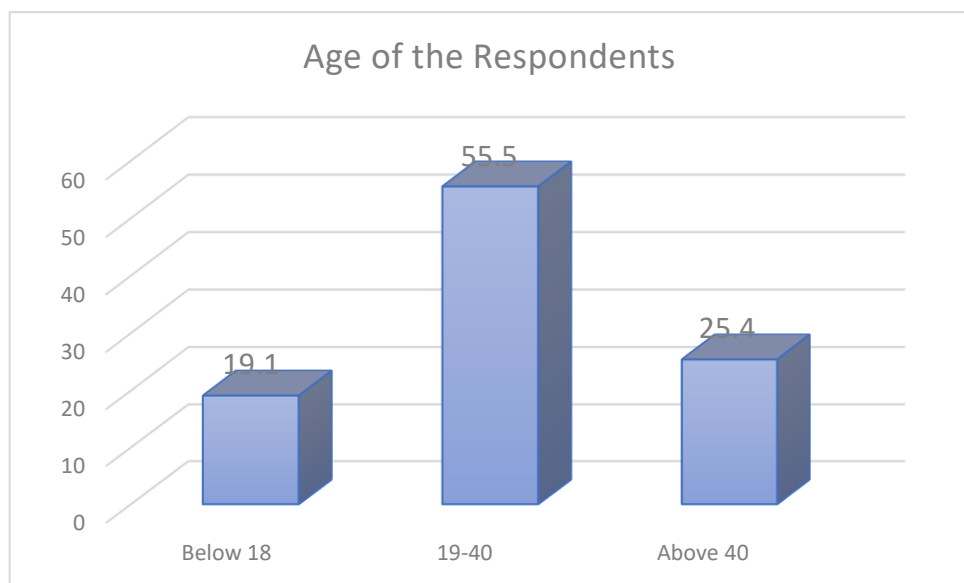
### 4.1 Descriptive analysis

Table 4.1.1

#### AGE OF THE RESPONDENTS

Age	Frequency	Percent
Below 18	33	19.1
19-40	96	55.5
Above 40	44	25.4
Total	173	100

Chart 4.1.1



### INFERENCE

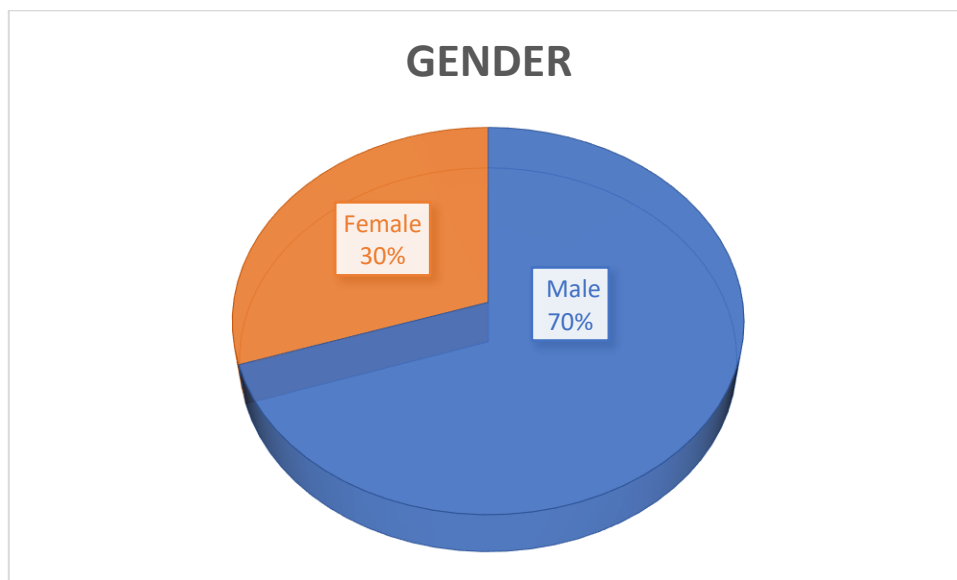
From the above graph, it is inferred that 55.5% Respondents are from the age 19 – 40 years. 25.4% Respondents are above 40 years. 19.1% Respondents are below 18 years

**Table 4.1.2**

**GENDER OF THE RESPONDENTS**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	121	69.9
Female	52	30.1
Total	173	100

**Chart 4.1.2**



**INFERENCE**

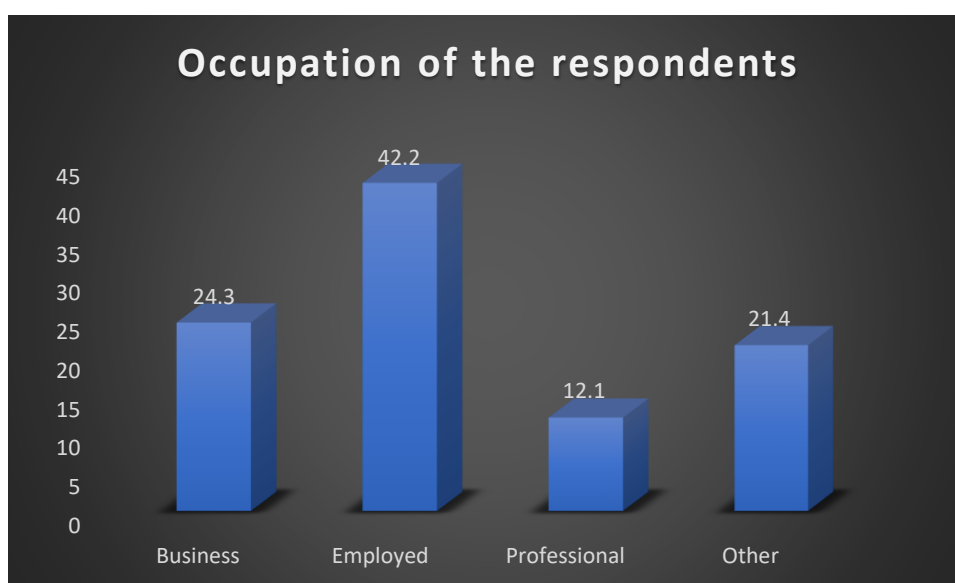
From the above graph, it is inferred that 70% of the respondents are Male. 30% of the respondents are Female

**Table 4.1.3**

**OCCUPATION OF THE RESPONDENTS**

<b>Occupation</b>	<b>Frequency</b>	<b>Percent</b>
Business	42	24.3
Employed	73	42.2
Professional	21	12.1
Other	37	21.4
Total	173	100

**Charts 4.1.3**



**INFERENCE**

From the above graph, it is inferred that 42.2% Respondents are employed. 24.3 % Respondents are from business background. 21.4 % Respondents are professional. 12.1 % Respondents are from Other background.



**Table 4.1.4**

**MARITAL STATUS OF THE RESPONDENTS**

<b>Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Single	68	39.3
Married	104	60.1
Divorced	1	0.6
Total	173	100

**Chart 4.1.4**



**INFERENCE**

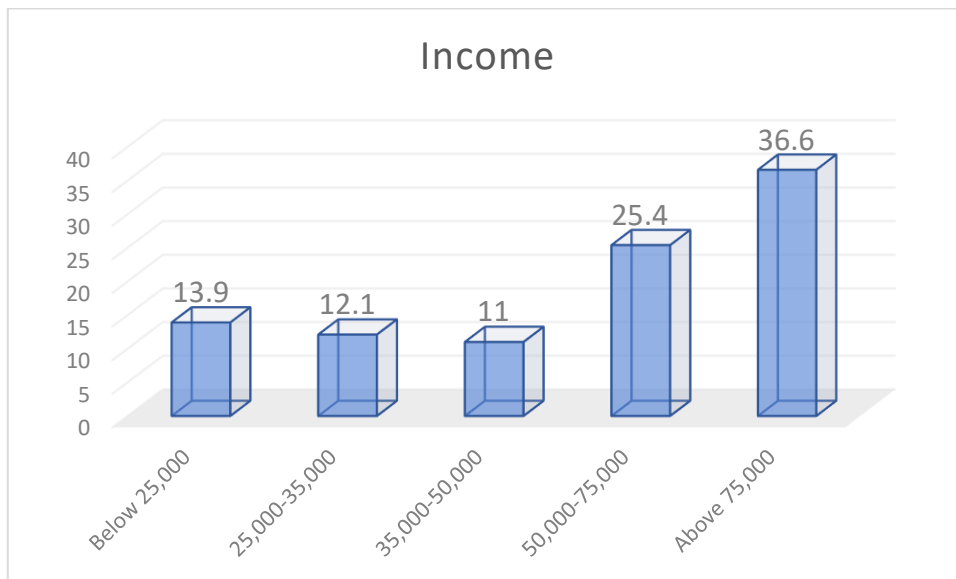
From the above graph, it is inferred that 60.1 % respondents are married. 39.3 % respondents are single. 0.6 % respondents are divorced.

**Table 4.1.5**

**INCOME OF THE RESPONDENTS**

<b>Income</b>	<b>Frequency</b>	<b>Percent</b>
Below 25,000	24	13.9
25,000-35,000	21	12.1
35,000-50,000	19	11
50,000-75,000	44	25.4
Above 75,000	65	36.6
Total	173	100

**Chart 4.1.5**



**INFERENCE**

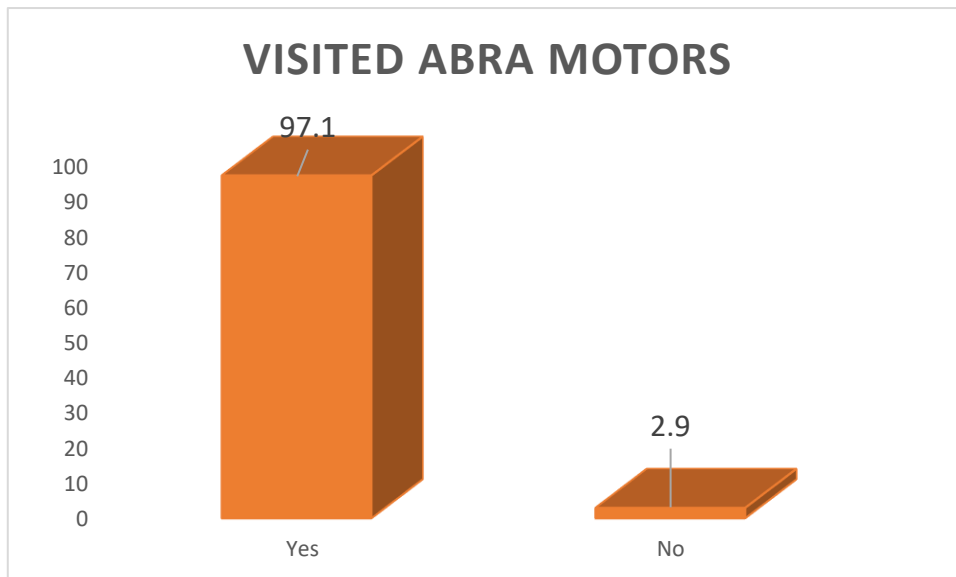
From the above graph, it is inferred that 36.6 % of the respondents earns above Rs. 75,000. 25.4 % of respondents earns from Rs. 50,000 to Rs. 75,000. 13.9 % of respondents earns below Rs. 25,000. 12.1% of respondents earns from Rs. 25,000 to Rs. 35,000. 11% of respondents earns from Rs. 35,000 to Rs. 50,000.

**Table 4.1.6**

**VISIT TO SHOWROOM**

<b>Visited Abra motors</b>	<b>Frequency</b>	<b>Percent</b>
Yes	167	97.1
No	5	2.9
Total	173	100

**Chart 4.1.6**



**INFERENCE**

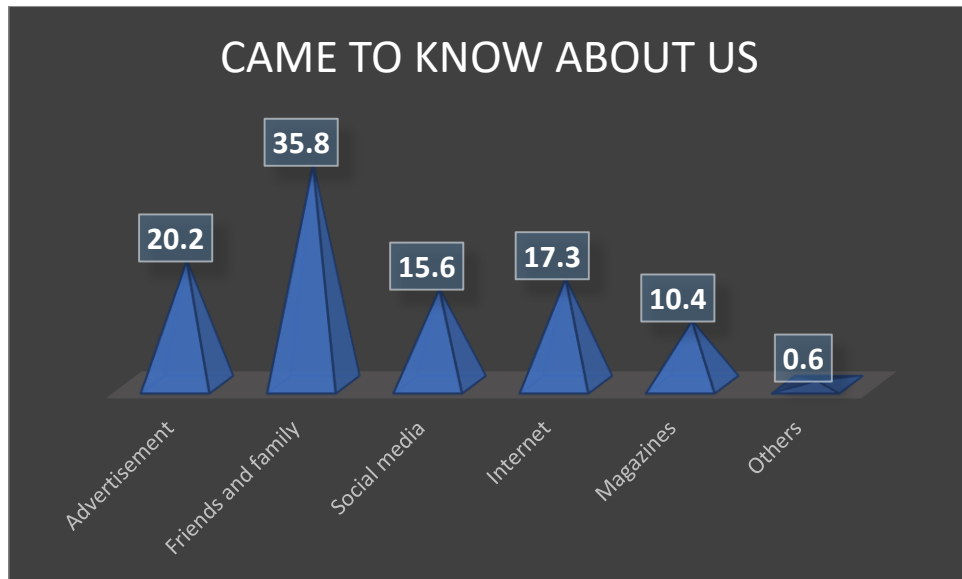
From the above graph, it is inferred that 97.1% respondents have visited the Abra motors showroom. 2.9% of respondents have not visited Abra motors

**Table 4.1.7**

**CAME TO KNOW ABOUT US**

<b>Came to know about us</b>	<b>Frequency</b>	<b>Percent</b>
Advertisement	35	20.2
Friends and family	62	35.8
Social media	27	15.6
Internet	30	17.3
Magazines	18	10.4
Others	1	0.6
Total	173	100

**Chart 4.1.7**



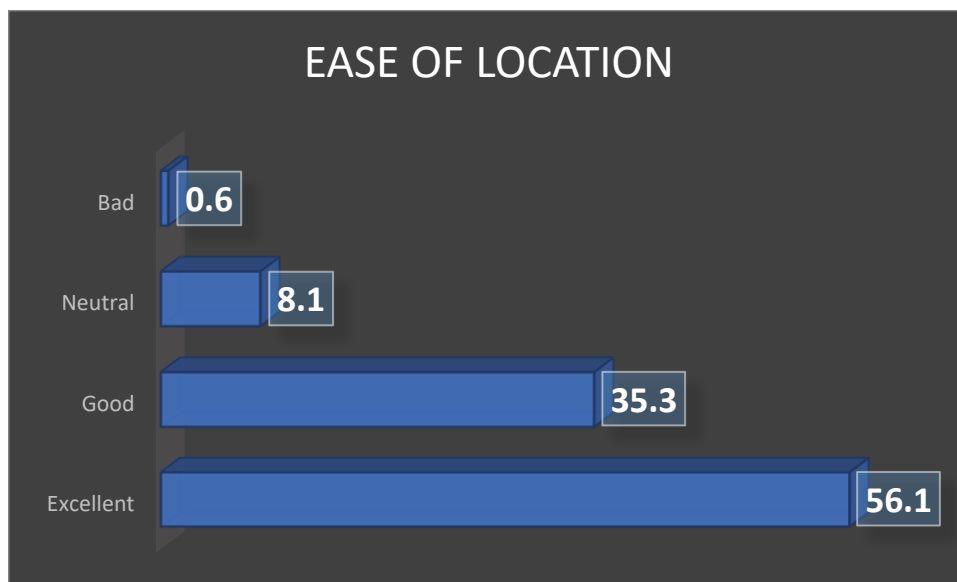
**INFERENCE**

From the above graph, it is inferred that 35.8% of the respondents came to know through family and friends. 20.2% of the respondents came to know through advertisements. 17.3% of the respondents came to know through Internet. 15.6 of the respondents came to know through Magazines. 0.6% of the respondents came to know through others.

**Table 4.1.8**  
**EASE OF LOCATION**

<b>Ease of location</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	97	56.1
Good	61	35.3
Neutral	14	8.1
Bad	1	0.6
Total	173	100

**Chart 4.1.8**



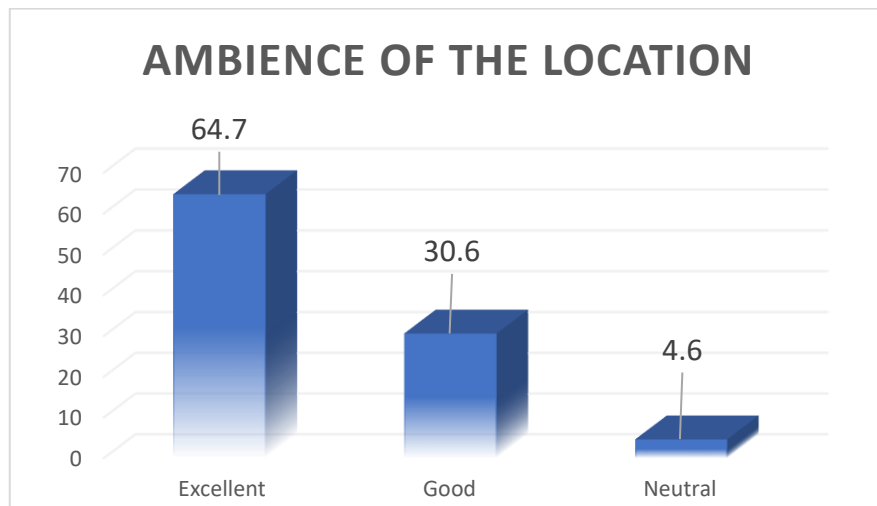
**INFERENCE**

From the above graph, it is inferred that 56.1% of the respondents have rated excellent. 35.3% of the respondents have rated good. 8.1% of the respondents have rated neutral. 0.6% of the respondents have rated bad.

**Table 4.1.9**  
**AMBIENCE OF LOCATION**

<b>Ambience of the location</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	112	64.7
Good	53	30.6
Neutral	8	4.6
Total	173	100

**Chart 4.1.9**



**INFERENCE**

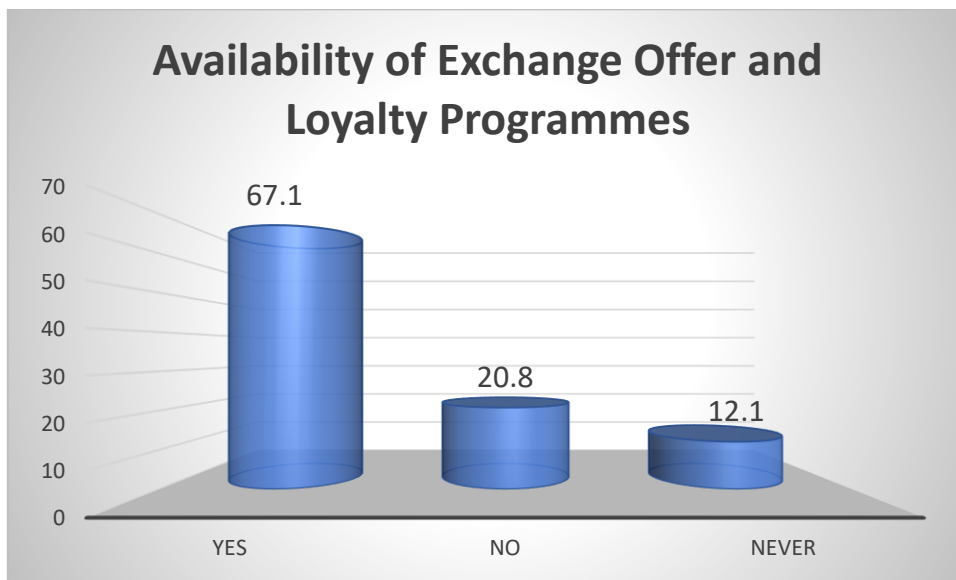
From the above graph, it is inferred that 64.7% of the respondents have rated excellent. 30.6% of the respondents have rated good. 4.6% of the respondents have rated neutral.

**Table 4.1.10**

**EXCHANGE OFFER AND LOYALTY PROGRAMMES**

<b>Availability of exchange offer and loyalty programmes</b>	<b>Frequency</b>	<b>Percent</b>
Yes	116	67.1
No	36	20.8
Never	21	12.1
Total	173	100

**Chart 4.1.10**



**INFERENCE**

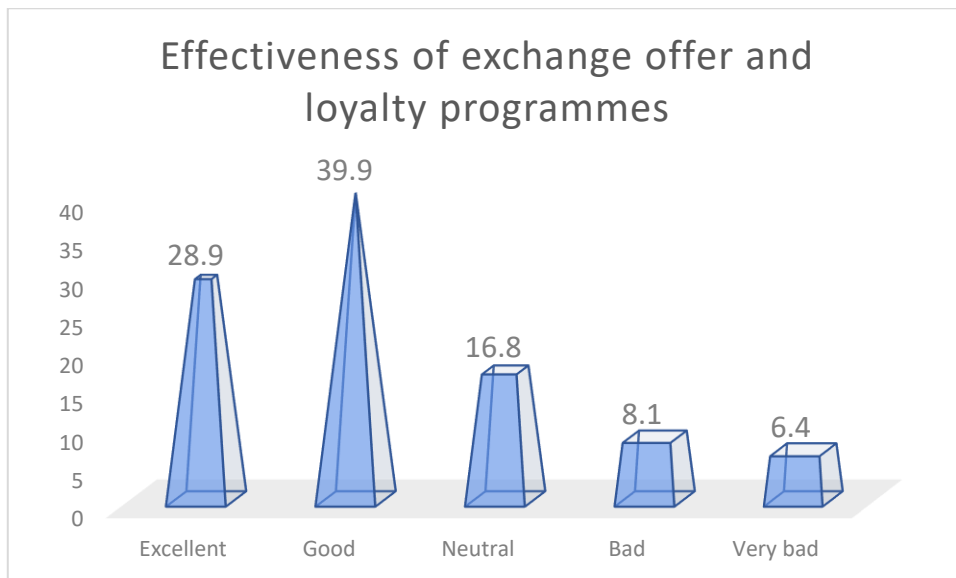
From the above graph, it is inferred that 67.1% of the respondents have known about the availability exchange offer and loyalty programmes. 20.8% of the respondents have not known about the availability exchange offer and loyalty programmes. 12.1% of the respondents have never known about the availability exchange offer and loyalty programmes.

**Table 4.1.11**

**EXCHANGE OFFER AND LOYALTY PROGRAMMES**

<b>Effectiveness of exchange offer and loyalty programmes</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	50	28.9
Good	69	39.9
Neutral	29	16.8
Bad	14	8.1
Very bad	11	6.4
Total	173	100

**Chart 4.1.11**



**INFERENCE**

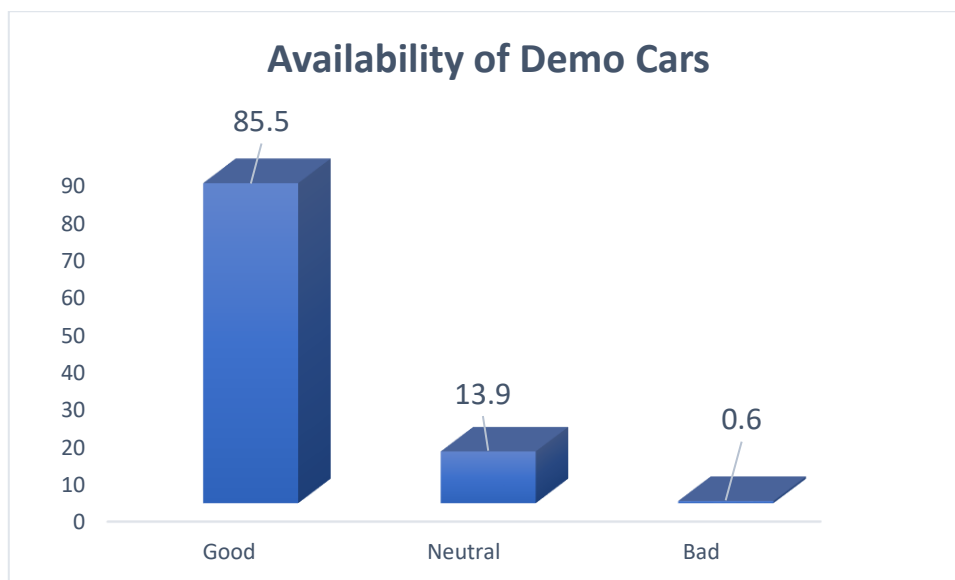
From the above graph, it is inferred that 39.9% of the respondents have rated good. 28.9% of the respondents have rated excellent. 16.8% of the respondents have rated neutral. 8.1% of the respondents have rated bad. 6.4% of the respondents have rated very bad.



**Table 4.1.12**  
**AVAILABILITY OF DEMO CARS**

<b>Availability of demo cars</b>	<b>Frequency</b>	<b>Percent</b>
Good	148	85.5
Neutral	24	13.9
Bad	1	0.6
Total	173	100

**Chart 4.1.12**



**INFERENCE**

From the above graph, it is inferred that 85.5% respondents have rated the availability of cars as good. 13.9% respondents have rated the availability of cars as neutral. 0.6% respondents have rated the availability of cars as bad.

**Table 4.1.13**

**SATISFACTION LEVEL THROUGH FREE GIFTS**

<b>Satisfaction free gifts provided at the delivery</b>	<b>Frequency</b>	<b>Percent</b>
Highly Satisfied	29	16.8
Satisfied	65	37.6
Neutral	62	35.8
Dissatisfied	9	5.2
Highly Dissatisfied	8	4.6
Total	173	100

**Chart 4.1.13**



**INFERENCE**

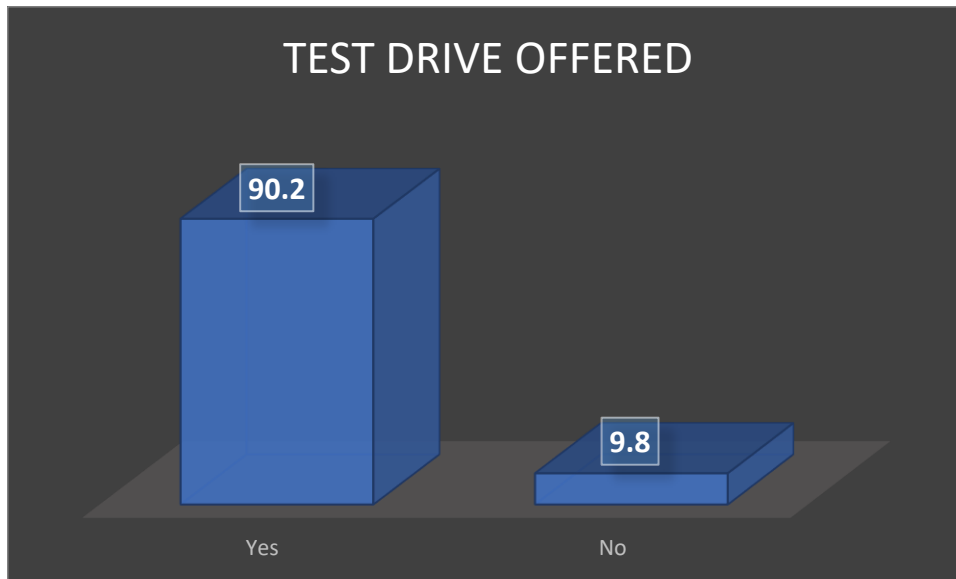
From the above graph, it is inferred that 37.6% of the respondents are satisfied with free gifts provided at the time of delivery. 35.8% of the respondents are neutral. 16.8% of the respondents are highly satisfied. 5.2% of the respondents are dissatisfied and 4.6% of the respondents are highly dissatisfied.

**Table 4.1.14**

**TEST DRIVE OFFERED**

<b>Test drive offered</b>	<b>Frequency</b>	<b>Percent</b>
Yes	156	90.2
No	17	9.8
Total	173	100

**Chart 4.1.14**



**INFERENCE**

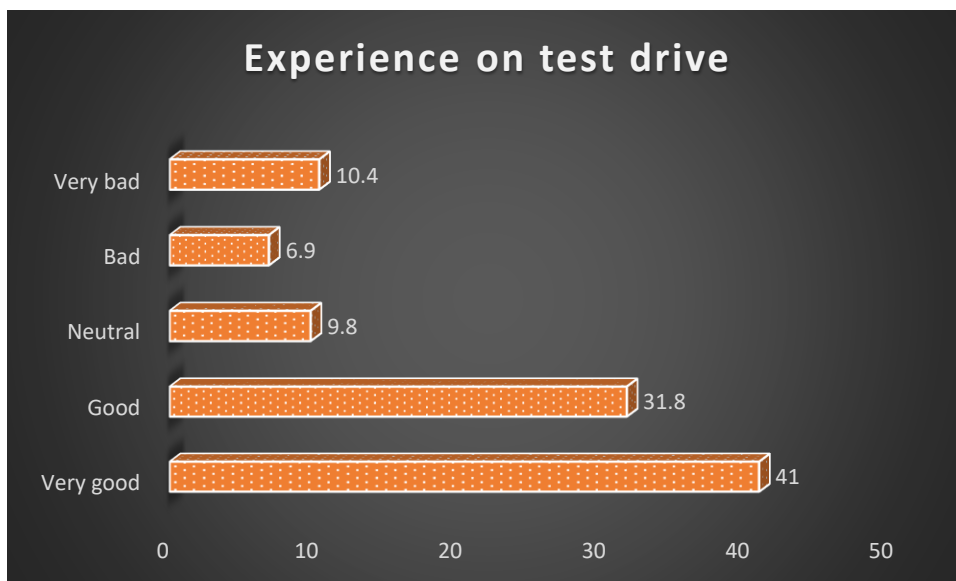
From the above graph, it is inferred that 90.2% of the respondents said that they have offered test drive. 9.8% of the respondents said that they have not offered test drive service.

**Table 4.1.15**

**EXPERIENCE ON TEST DRIVE**

<b>Experience on test drive</b>	<b>Frequency</b>	<b>Percent</b>
Very good	71	41
Good	55	31.8
Neutral	17	9.8
Bad	12	6.9
Very bad	18	10.4
Total	173	100

**Chart 4.1.15**



**INFERENCE**

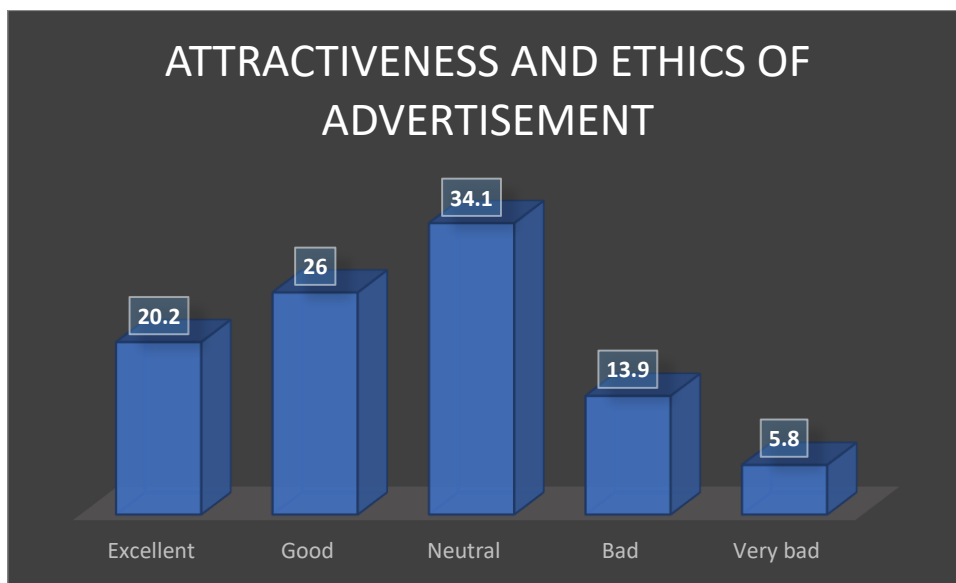
From the above graph, it is inferred that 41% of the respondents have rated very good. 31.8% of the respondents have rated good. 10.4% have rated very bad. 9.8% of the respondents have rated neutral and 6.9% of the respondents have rated bad.

**Table 4.1.16**

**ATTRACTIVENESS OF ADVERTISEMENT**

<b>Attractiveness and Ethics of advertisement</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	35	20.2
Good	45	26
Neutral	59	34.1
Bad	24	13.9
Very bad	10	5.8
Total	173	100

**Chart 4.1.16**



**INFERENCE**

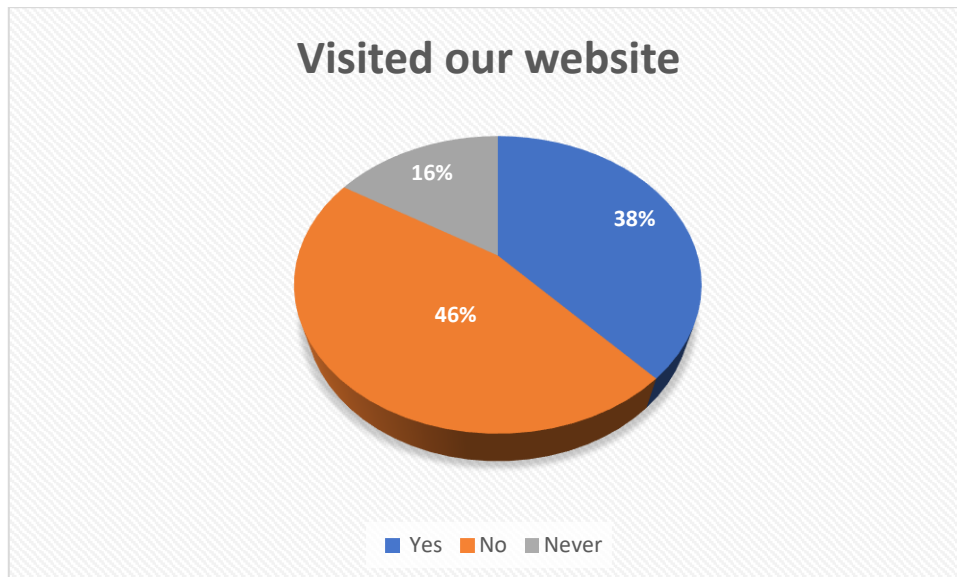
From the above graph, it is inferred that 34.1% of the respondents have reported neutral. 26% of the respondents reported good. 20.2% of the respondents reported that excellent. 13.9% of the respondents have reported bad. 5.8% of the respondents have reported very bad.

**Table 4.1.17**

**VISIT OUR WEBSITE**

<b>Visit of our website</b>	<b>Frequency</b>	<b>Percent</b>
Yes	66	38.2
No	79	45.7
Never	28	16.2
Total	173	100

**Chart 4.1.17**



**INFERENCE**

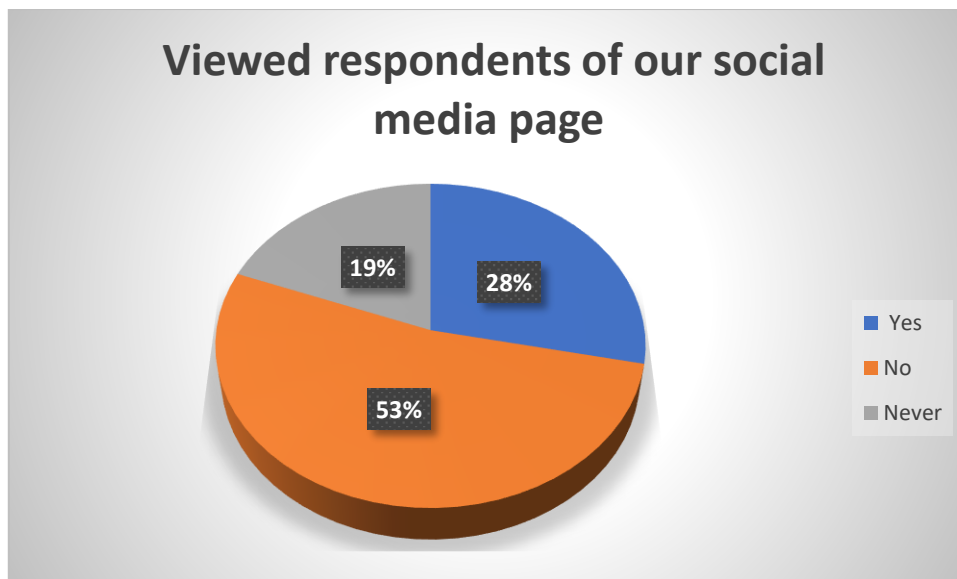
From the above graph, it is inferred that 46% of the respondents have not visited our website. 38% of the respondents have visited our websites. 16.2% of the respondents have never visited our website.

**Table 4.1.18**

**SOCIAL MEDIA PAGE**

<b>Viewed respondents of our social media page</b>	<b>Frequency</b>	<b>Percent</b>
Yes	49	28.3
No	91	52.6
Never	33	19.1
Total	173	100

**Chart 4.1.18**



**INFERENCE**

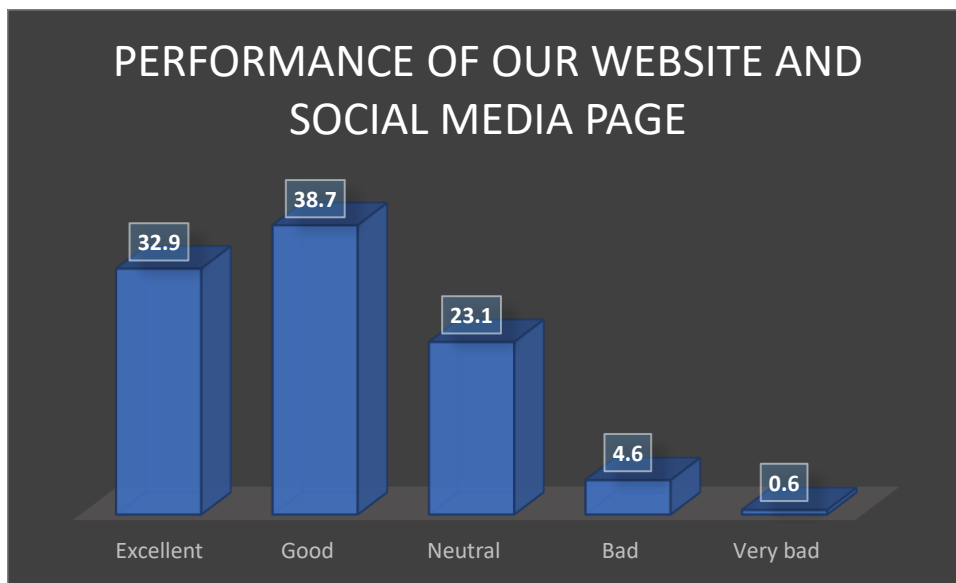
From the above graph, it is inferred that 53% have not viewed our social media page. 28% of the respondents have viewed our social media page. 19% of the respondents have never viewed the social media page.

**Table 4.1.19**

**WEBISTE AND SOCIAL MEDIA PAGE**

<b>Performance of our website and social media page</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	57	32.9
Good	67	38.7
Neutral	40	23.1
Bad	8	4.6
Very bad	1	0.6
Total	173	100

**Chart 4.1.19**



**INFERENCE**

From the above graph, it is inferred that 38.7% of the respondents rated good. 32.9% of the respondents have rated excellent. 23.1% of the respondents have rated neutral. 4.6% of the respondents have rated bad. 0.6% of the respondents have rated very bad.

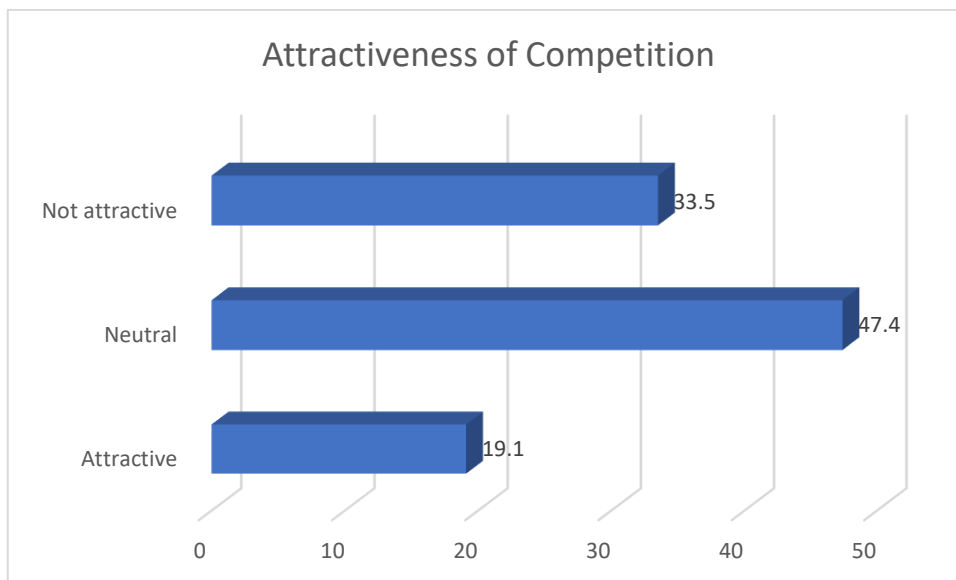


**Table 4.1.20**

**ATTRACTIVENESS OF THE COMPETITION**

<b>Attractiveness of competition</b>	<b>Frequency</b>	<b>Percent</b>
Attractive	33	19.1
Neutral	82	47.4
Not attractive	58	33.5
Total	173	100

**Chart 4.1.20**



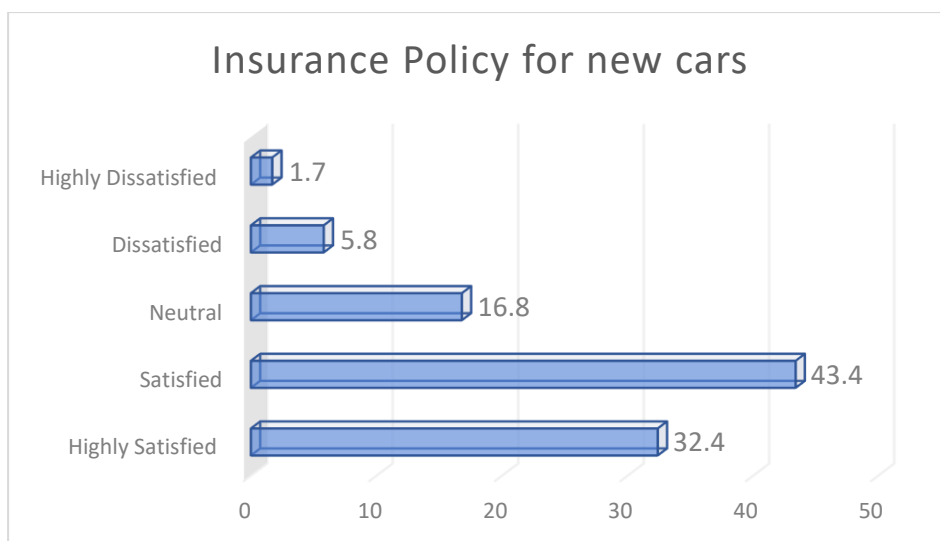
**INFERENCE**

From the above graph, it is inferred that 47.4% respondents have reported that the competitions are neutral. 33.5% respondents have reported that the competition is not attractive. 19.1% respondents have reported that the competition is attractive.

**Table 4.1.21**  
**INSURANCE POLICY FOR THE NEW CARS**

<b>Insurance policy for new cars</b>	<b>Frequency</b>	<b>Percent</b>
Highly Satisfied	56	32.4
Satisfied	75	43.4
Neutral	29	16.8
Dissatisfied	10	5.8
Highly Dissatisfied	3	1.7
Total	173	100

**Chart 4.1.21**



### **INFERENCE**

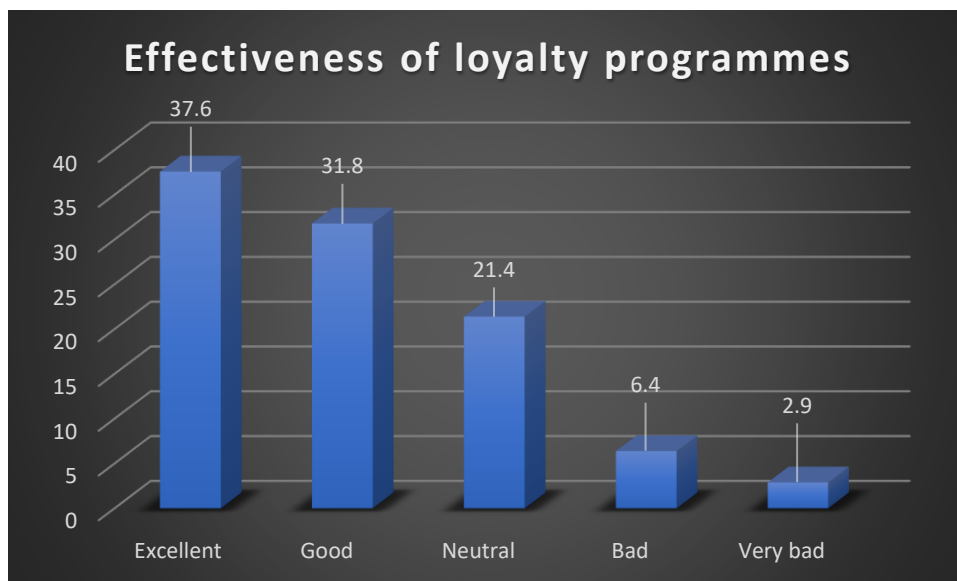
From the graph, it is inferred that 43.4% respondents are satisfied with the insurance policy for new cars. 32.4% respondents are highly satisfied with the insurance policy for new cars. 16.8% respondents are neutral with the insurance policy of the new cars. 5.8% respondents are dissatisfied with the insurance policy of new cars. 1.7% respondents are highly dissatisfied with the insurance policy of new cars.

**Table 4.1.22**

**EFFECTIVENESS OF LOYALTY PROGRAMMES**

<b>Effectiveness of loyalty programmes</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	65	37.6
Good	55	31.8
Neutral	37	21.4
Bad	11	6.4
Very bad	5	2.9
Total	173	100

**Chart 4.1.22**



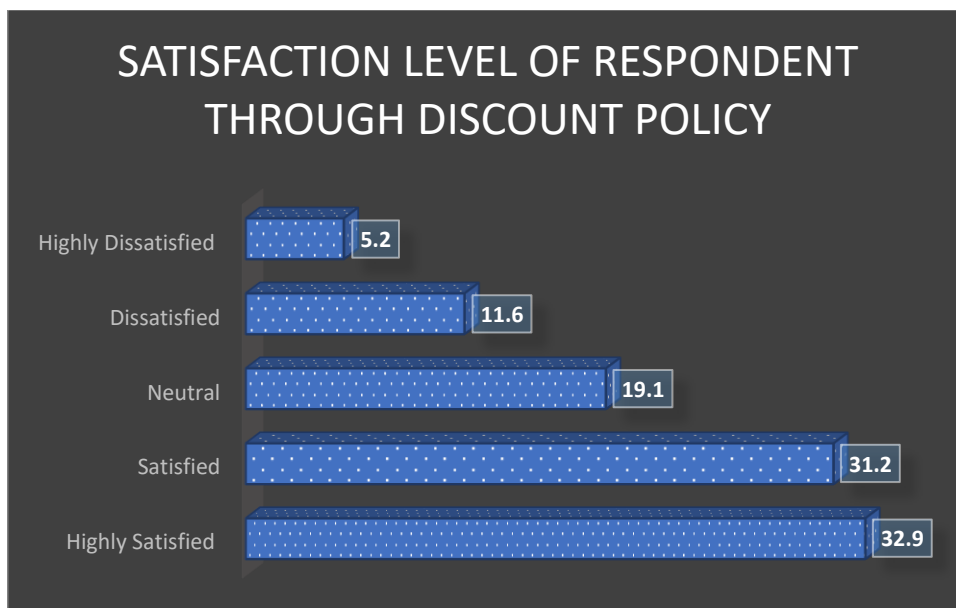
**INFERENCE**

From the above graph, it is inferred that 37.6% respondents have rated excellent. 31.8% respondents have rated good. 21.4% respondents have rated neutral. 6.4% respondents have rated bad. 2.9% respondents have rated very bad.

**Table 4.1.23**  
**DISCOUNT POLICY**

<b>Satisfaction level of respondent through discount policy</b>	<b>Frequency</b>	<b>Percent</b>
Highly Satisfied	57	32.9
Satisfied	54	31.2
Neutral	33	19.1
Dissatisfied	20	11.6
Highly Dissatisfied	9	5.2
Total	173	100

**Chart 4.1.23**



**INFERENCE**

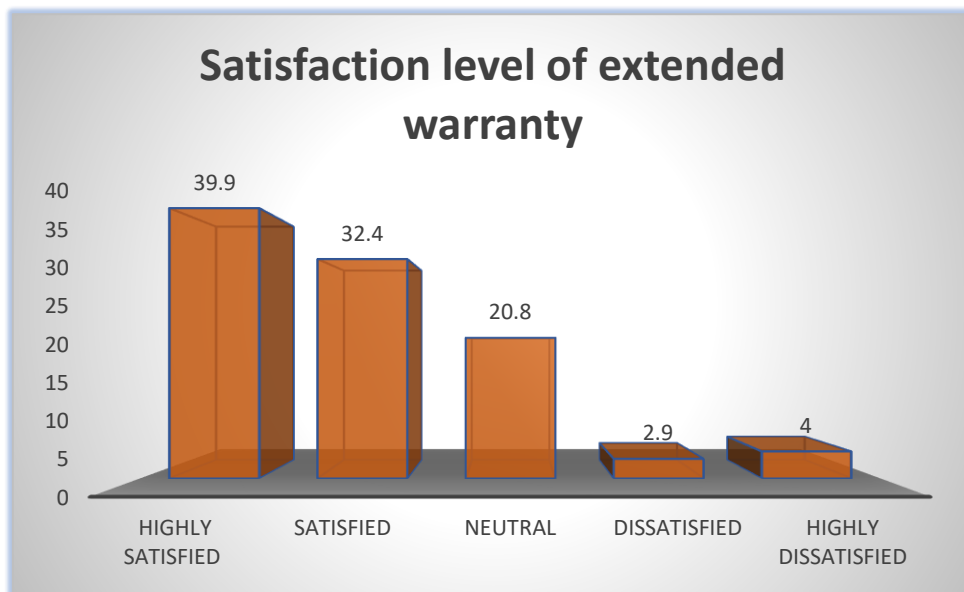
From the above graph, it is inferred that 32.9% respondents are highly satisfied with the discount policy. 31.2% respondents are satisfied with the discount policy. 19.1% respondents are neutral with the discount policy. 11.6% respondents are dissatisfied with the discount policy. 5.2% respondents are highly dissatisfied with the discount policy.

**Table 4.1.24**

**STATISFACTION LEVEL THROUGH EXTENDED WARRANTY**

<b>Satisfaction level of extended warranty policy</b>	<b>Frequency</b>	<b>Percent</b>
Highly Satisfied	69	39.9
Satisfied	56	32.4
Neutral	36	20.8
Dissatisfied	5	2.9
Highly Dissatisfied	7	4
Total	173	100

**Chart 4.1.24**



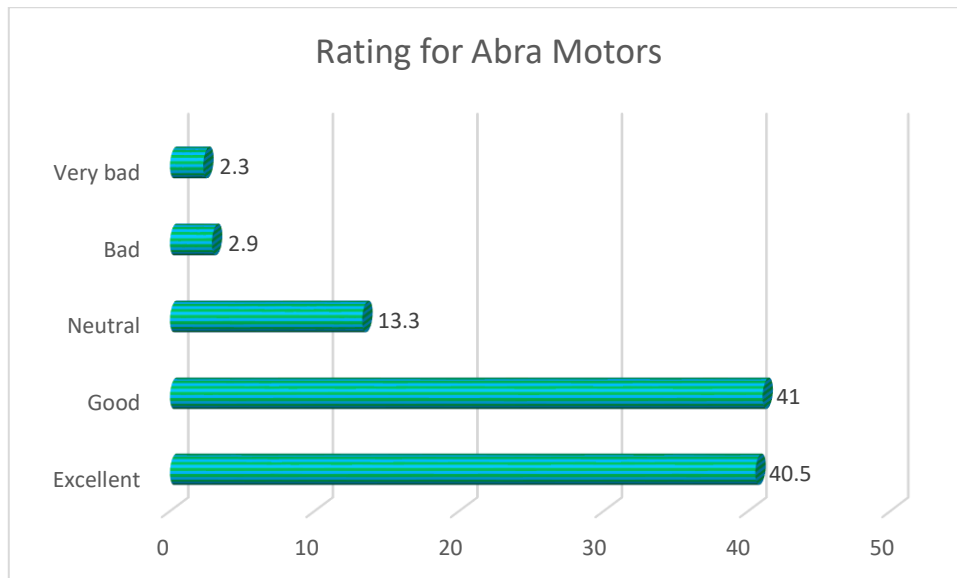
**INFERENCE**

From the above graph, it is inferred that 39.9% of the respondents are highly satisfied with the extended warranty. 32.4% of the respondents are satisfied with the extended warranty. 20.8% of the respondents is neutral with the extended warranty. 2.9% of the respondents are dissatisfied with the extended warranty. 4% of the respondents are highly dissatisfied with the extended warranty

**Table 4.1.25**  
**RATINGS OF ABRA MOTORS**

<b>Rating for Abra Motors</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	70	40.5
Good	71	41
Neutral	23	13.3
Bad	5	2.9
Very bad	4	2.3
Total	173	100

**Chart 4.1.25**



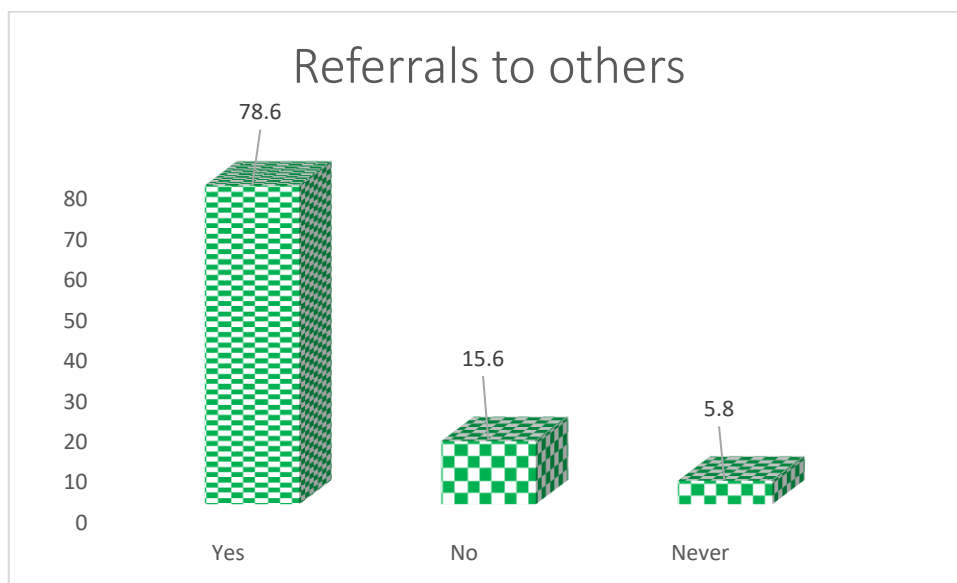
**INFERENCE**

From that above graph, it is inferred that 41% of the respondents have rated good. 40.5% of the respondents have rated excellent. 13.33% of the respondents have rated neutral. 2.9% of the respondents have rated bad. 2.3% of the respondents have rated very bad.

**Table 4.1.26**  
**REFERRALS**

<b>Referrals to others</b>	<b>Frequency</b>	<b>Percent</b>
Yes	136	78.6
No	27	15.6
Never	10	5.8
Total	173	100

**Chart 4.1.26**



**INFERENCE**

From the above graph, it is inferred that 78.6% respondents will refer others. 15.6% of respondent will not refer to others. 5.8% of the respondents will never refer to others.

## 4.2 STATISTICAL ANALYSIS

### 4.2.1 Chi-square test

#### NULL HYPOTHESIS:

There is no significant between the age and satisfaction level of respondents on the discount policy.

#### ALTERNATE HYPOTHESIS:

There is significant between the age and satisfaction level of respondents on the discount policy.

<b>Age of the respondent Satisfaction level of respondent on the discount policy Cross tabulation</b>
---

Age of the respondent	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
18	13	15	2	3	0	33
19-40	26	31	23	11	5	96
Above 40	18	8	8	6	4	44
Total	57	54	33	20	9	173

P value = 0.074

Accept null hypothesis

Reject Alternate hypothesis

### INFERENCE

There is no significant between the age of the respondents and satisfaction level of respondents on the discount policy.

### DECISION

Accept null hypothesis, since P value > 0.05



## 4.2.2 Chi-square test

### NULL HYPOTHESIS:

There is no significant between the gender and satisfaction level of respondents on the discount policy.

### ALTERNATE HYPOTHESIS:

There is significant between the gender and satisfaction level of respondents on the discount policy.

### Gender of respondents \* Satisfaction level of respondent through discount policy Cross tabulation

Count

		Satisfaction level of respondent through discount policy					Total
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Gender of respondents	Male	37	38	25	13	8	121
	Female	20	16	8	7	1	52
Total		57	54	33	20	9	173

P value = 0.559

Accept null hypothesis

Reject Alternate hypothesis

### INFERENCE

There is no significance association between the gender of the respondents and satisfaction level of respondents on the discount policy.

### DECISION

Accept Alternate hypothesis, since P value > 0.05

### 4.2.3 One way ANOVA

#### **NULL HYPOTHESIS:**

There is no associated difference between the income group and satisfaction level of respondents on discount policy.

#### **ALTERNATE HYPOTHESIS:**

There is association difference between the income group and satisfaction level of respondents on discount policy.

#### **ANOVA**

##### **Satisfaction level of respondent through discount policy**

<b>Income of the respondents</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	25.518	4	6.379	3.230	.014
Within Groups	327.827	166	1.975		
Total	353.345	170			

P value = 0.014

Accept alternate hypothesis

Reject Null hypothesis

#### **INFERENCE**

There is association difference between the income group and satisfaction level of respondents on discount policy.

#### **DECISION**

Accept alternate hypothesis, since P value < 0.05

#### 4.2.4 One way ANOVA

##### **NULL HYPOTHESIS:**

There is no associated difference between the occupation and satisfaction level of respondents on discount policy.

##### **ALTERNATE HYPOTHESIS:**

There is association difference between the occupation and satisfaction level of respondents on discount policy.

#### **ANOVA**

##### **Satisfaction level of respondent through discount policy**

<b>Occupation</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	1.448	4	.362	.315	.868
Within Groups	193.315	168	1.151		
Total	194.763	172			

P value = 0.868

Accept null hypothesis

reject alternate hypothesis

##### **INFERENCE**

There is no association difference between the occupation and satisfaction level of respondents on discount policy.

##### **DECISION**

Accept null hypothesis, since P value > 0.05

## 5.1 FINDINGS

- From the above study, it is inferred that 55.5% respondents are from the age 19 – 40 years.
- From the study conducted, it is found that 70% of the respondents are Male.
- From the study, it is said that 42.2% respondents are employed.
- From the above study, it is identified that 60.1 % respondents are married.
- From the above study, it is said that 36.6 % of the respondents earns above Rs. 75,000.
- From the above study, it is found that 97.1% respondents have visited the Abramotors showroom.
- From the study carried out, it is found that 35.8% of the respondents came to know through family and friends.
- From the above study, it is inferred that 56.1% of the respondents have rated excellent.
- From the study, it is said that 64.7% of the respondents have rated excellent.
- From the above study, it is said that 67.1% of the respondents have known about the availability exchange offer and loyalty programmes.
- From the study above, it is inferred that 39.9% of the respondents have rated good.
- From the above study, it is said that 85.5% respondents have rated the availability of cars as good.
- From the above study, it is found that 37.6% of the respondents are satisfied with free gifts provided at the time of delivery.
- From the above study, it is found that 90.2% of the respondents said that they have offered test drive.

- From the above study, it is discovered that 41% of the respondents have rated very good.
- From the above study, it is found that 34.1% of the respondents have reported neutral.
- From the above study, it is said that 46% of the respondents have not visited our website.
- From the above study, it is said that 53% have not viewed our social media page.
- From the above study, it is inferred that 38.7% of the respondents rated good.
- From the above study, it is said that 47.4% respondents have reported that the competitions are neutral.
- From the above study, it is found that 43.4% respondents are satisfied with the insurance policy for new cars.
- From the above study, it is said to be the 37.6% respondents have rated excellent.
- From the above study, it is found that 32.9% respondents are highly satisfied with the discount policy.
- From the above study, it said that 39.9% of the respondents are highly satisfied with the extended warranty.
- From the study, it is inferred that 41% of the respondents have rated good.
- From the above study, it is found that 78.6% respondents will refer others.

## 5.2 SUGGESTIONS

- Abra motors have improve its promotional platforms to improve to reach the new customer. Abra motors is well known in the center madras, they have to reach all over Chennai for a better sales and profits.
- Abra motors have to keep the promises to its customer at the time of delivery. Abra should train their sales executives properly with adequate knowledge and skill to handle customers. Abra motors should keep their commitment to promise at the time of delivery and fulfill the customer expectation.
- Abra motors should enhance a quality goods for its customer at the time of service and delivery. Abra motors should maintain its decorum and principle for its customer to enhance the best quality and best service. Abra motors should be good dealer of Volkswagen in Chennai.
- Abra motors sales force should be reliable to its customer to withheld them from changing their brand or dealers. Abra motors will have improve it advertising mode and improve its strategy to attract new customers.
- Abra motors should improve it efficiency and growth to with stand in the market. The growth of Abra motors is completely depend on the sales of the Volkswagen cars. The company should focus on the sales by fulfilling the customer's needs.
- Abra motors should huge bidding amount to be in a top list in the search engine platform to top the dealers list of Volkswagen. Not everyone are well aware of Abra motors, so that I suggest that company to pay high bidding amount to be a top on the search engines.
- Abra motors should have good and sufficient customer relationship management to its customers. Customer relationship management should solve the following queries and serve at the best for its customers. The company should make sure that they give more importance to improve the quality and service for its both existing and new customer.
- Abra motors should maintain its goodwill to reach the customer. The company should create good will among its customers to withstand the competitors and other dealers. Goodwill is very important for every organization to retain its customer from shifting of brand. It is very important for Abra motors to create a goodwill among the customer.

- Abra motors should provide good discounts and loyalty to the existing customer. To attract new customer abra motors should give better discounts and gifts for the purchases made by the customers.

### **5.3 CONCLUSION**

It is concluded that sales promotion is important to improve the sales of the company and to reach new customers. Each and every organization should have a good strategic plan for their promotion to withstand in the market with huge competition. The discounts and loyalty program in the company will improve the sales by attracting new customers. The best sales promotion will help the company to fulfil the organizational objectives. The sales promotion is must to improve their sales in every organizations. The sales is monitored based on the promotional activities practiced by the organization, the company should have better promotional activities practiced in the organization to estimate the sales.

Therefore, the sales promotion plays a vital role in the organization to fulfil the organizational goals and objectives. The company should frame the best strategic plan to meet the competition in the market and fulfil the customer needs. Many authors has proved that the sales promotion is the key that helps the company to achieve the sales. According to Philp Austin said that “sales promotion is a force that attracts humans to consume the products” This explains that how sales promotion influences the customer to buy a product.



## APPENDIX

### **A STUDY ON SALES PROMOTIONAL ACTIVITIES OF VOLKSWAGEN INDIA WITH REFERENCE TO ABRA MOTORS PRIVATE LIMITED**

#### **Personal Information**

Name:

Age:           a) 18                      b) 20 – 40            c) Above 40

Gender:        a) Male                    b) Female

Occupation:   a) Business   b) Employed   c) Professional   d) Others

Marital status: a) Single            b) Married       c) divorced

Income:        a) Below 25,000        b) 25,000 – 35,000   c) 35,000 – 50.000  
                  d) 50,000 – 75,000   e) Above 75,000

1. Have you visited Abra Motors (VW Chennai dealership) showroom?  
a) Yes            b) No
2. How do you come to know about us?  
a) Advertisement  
b) Friends and family  
c) Social Media  
d) Internet  
e) Magazine  
Others \_\_\_\_\_
3. How would you rate the ease of location of Abra Motors (VW Chennai dealership)?  
a) Excellent                      b) Good            c) Neutral        d) Bad            e) Very  
bad
4. How do you rate the ambience of Abra Motors (VW Chennai dealership)?  
a) Excellent                      b) Good            c) Neutral        d) Bad            e) Very  
bad
5. Are you aware of the availability of exchange offer and loyalty programs in our showroom?  
a) Yes            b) No            c) Never
6. How effective was the exchange offer and loyalty programs in our showroom to purchase new car?  
a) Excellent                      b) Good            c) Neutral        d) Bad            e) Very  
Bad

7. How do you rate the availability of demo cars in our showroom?
  - a) Good b) Neutral c) Bad
  
8. Are you satisfied with the free gifts provided by Abra Motors (VW Chennai dealership) at the time delivery?
  - a) Highly Satisfied b) Satisfied c) Neutral d) Dissatisfied
  - f) Highly Dissatisfied
  
9. Was the test drive offered to you in Abra Motors (VW Chennai dealership)?
  - a) Yes b) No
  
10. How was your test drive experience in Abra Motors (VW Chennai dealership)?
  - a) Very good b) Good c) Neutral d) Bad e) Very bad
  
11. How do you feel about our advertisement on the basis of attractive and ethics?
  - a) Excellent b) Good c) Neutral d) Bad e) Very bad
  
12. Have you visited our website?
  - a) Yes b) No c) Never
  
13. Have you liked our social media page (Facebook, Twitter, Instagram) for recent updates?
  - a) Yes b) No c) Never
  
14. How you rate the performance of our website and our social media page (Facebook, Twitter, Instagram)?
  - a) Excellent b) Good c) Neutral d) Bad e) Very bad
  
15. How attractive was the competitions organized by Abra Motors (VW Chennai Dealership)?
  - a) Attractive b) Neutral c) Not attractive
  
16. How satisfied are you with our Insurance policy for new cars?
  - a) Highly Satisfied b) Satisfied c) Neutral d) Dissatisfied
  - e) Highly Dissatisfied
  
17. How effective is our loyalty program for you?
  - a) Excellent b) Good c) Neutral d) Bad e) Very bad

18. How satisfied are you with our discount policy?  
a) Highly Satisfied    b) Satisfied    c) Neutral    d) Dissatisfied  
e) Highly Dissatisfied
19. How satisfied are you with our extended warranty policy?  
a) Highly Satisfied    b) Satisfied    c) Neutral    d) Dissatisfied  
e) Highly Dissatisfied
20. At overall, how do you rate Abra Motors (VW Chennai dealership)?  
a) Excellent            b) Good            c) Neutral            d) Bad            e) Very  
Bad
21. Would you recommend Abra Motors to others?  
a) Yes    b) No            c) Never
22. Any other suggestion for Abra Motors?

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