

**A STUDY ON SALES PROMOTION OF
ELECTRONIC GOODS**

(With Special Reference to Sony and Philips)

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's competitive professional world, each and every manufacturer, producer organization wants to sell their product or services and be in a profitable position. Now Business is being very competitive and complex. Similar types of various product are increasing day by day. They all want to reach their target to maximize their sales and profit. So the producer are using various sales promotional tools and techniques to boost up sales of their product.

Nowadays, Sales Promotion is becoming a very popular marketing technique. The concept of sales promotion is not new. The technique of sales promotion is being used by the producer/manufactures since 19th century. Sales promotion technique was used first time by John H. Pattson of United State, a founder of the National Cash Register Company. He thinks that sales of the product can be increased if monetary advantages are given to the consumer. Since then the technique, consumer promotion, is being used by many companies. Many researchers have research on sales promotion. They found that many consumers are attracted and encouraged to buy if we can provide extra advantages. These activities of consumer forced, manufacturers to make frequent use of different new and attractive promotional tactics. In fact, in any business, cost of inventory holding has became expensive as a result of high cost of storage/warehouse, interest rates and sky rocketing cost of raw materials. So the manufacturers wants fast sales of their product. For this, they always seek new techniques and

ways to sell their products. Sales/consumer promotion has become as a panacea for all aforesaid marketing problem.

Sales promotion has been increasing popularly as a promotion tool. Marketers are using it aggressively. Sales promotion refers to short term incentives to stimulate demand. It is used to create a stronger and quicker purchase response. It can be directed at consumer, middlemen and sales personnel. It supplements advertising and facilitates personal selling.

“Sales promotion refers to demand stimulating devices designed to supplement advertising and facilitate personal selling” (Stanton,1989).

Sales promotion is a selling activity that co-ordinates advertising and personal selling into on effective persuasive forces. It is claimed that sales promotion moves buyers towards the product, well known media of sales promotion include packages. Samples, premiums, coupons, contests and trading stamps. In some circles, sales promotion techniques are grouped together under the label "Marketing Service".

Many sales promotion campaigns involves the use of incentives. Incentives are "Something of financial value added to an offer to encourage some overt behavioral responses "(Kotler:1975:217). They increase the presumed value of a product in the hope it will gain wider acceptance from consumers. It is important to add that sales promotion incentives are used by non-profit organization as well as profit - making ones.

Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and /or greater purchase of a particular product by consumers or the trade. Whereas advertising offers a

reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion (e.g. samples, coupons, cash refund offers, price-off, premium, prizes, patronage rewards, free trials, warranties demonstration, contests); trade promotion (e.g. buying allowances, free goods, merchandise allowances, cooperative advertising, advertising and display allowances, push money, sales contests); and sales force promotion (e.g. bonus, contest, sales rallies, promotional kits, and sales commission).

A decade ago, the advertising-to-sales promotion ratio was about 60:40. Today, in many consumer packaged goods industries, the picture became reverse, with sales promotion accounting for between 60 and 70 percent of the combined budget. Sales promotion expenditure have been increasing 12 percent per year compared with advertising's increase of 7.6 percent. Several factors contributed to the growth of sales Promotion. The growth of sales promotion media (coupon, contest etc) has created a situation of promotional culture, similar to adverting culture. Sales promotion tools vary in their specific objectives. A free sample stimulates consumer trail, while a free management - advisory cements a long - term relationship with a retailer.

Sellers use incentive-type of promotions to attract new users, to reward loyal customers and to increase the repurchase rates of occasional users. New users are of three types - users of another brand in the same-category, users in other categories, and frequent brand switchers. Sales promotions often attract the brand switchers because users of other brands and categories do not always notice or act on a promotion. Brand switcher ore primarily looking for low price, good value or premiums. Sales promotions one unlikely to turn them into loyal brand users. Sales

promotions used in markets of high brand similarity produce a high sales response in the short run, but little permanent share and user gain. In market of high brand dissimilarity, sales promotions may alter market shares more permanently.

In the modern marketing era, Cut-throat competition is the main characteristics of the modern marketing world and Nepal too is not exception to this competition, has been taken very seriously in the Nepalese consumer market. Today dozen or probably more brands even a specific product category are being sole in a Nepalese market consequently. Nepalese consumer have wider choice while buying the most of the products. They are no more compel to buy any particular product rather they are free to choose what ever they like among the different brand. In this contest, every company trying to prove his product as the best and attract them by offering different offers to the consumers, dealer as well as own sales forces. Every manufactures wants to sell more product than others. For this they use many sales promotion tools and techniques which direct the consumer or makes the consumer brand loyal. That is why, in the short run, sales promotion tools are more effective than advertising by offering different tools to attract new user as well as old and achieved their target goals.

1.2 Importance of Sales Promotion Tools

Sales promotion objectives are derived from broader promotion objectives, which are derived from more basic marketing objectives developed for the product. The specific objectives set for sales promotion will vary with the target market. For consumers, objectives include

encouraging purchase of large-size units, building trail among non-users, and attracting switchers away from competitors' brands. For retailers, objectives include inducing retailers to carry new items and higher level of inventory, encouraging off-Season buying, encouraging stocking of related items, offering competitive promotions, building brand loyalty of retailers and gaining entry into new retail outlets. For the sales force objectives include encouraging support of a new product or model, encouraging more prospecting and stimulating off-season sales.

1.3 Statement of the Problems

Sales promotion cannot be exaggerated in the in the present situation. Increasing competition and sophistication of market has made it a compulsion in any business enterprises. Sales promotion plays a pivotal role in the promotional efforts by inducing the consumer to buy the products and help them about the buying decision. Through the sales promotion activities, business enterprise can get success in the market by using different tools and techniques. They are influenced by the scheme which are offered by the company. They tend to change their brand if they get a handsome offer. So that the company most considered in the sales promotion tools and technique in old product as well as newly launch product.

Now a days, consumer product market is very competitive in Nepal, Various type of similar electronic product are available in the market. They want to achieve high market and go ahead. For this purpose they spent large amount of money for advertisement and sales promotion. Only the advertisement is not working these days, due to the available of various brand of electronic product in the market, consumer have many option to

choose brand. The producers have tough competition to sell their products. So they have necessary to promote their product in the market by using different types of sales promotion tools and technique in spite of advertising, to capture the large market and becoming a success and leader brand in the market place.

Nepalese management is still in underdeveloped stage. Manufacturer/producer can not use the effective promotion for their product. So it is important to know that what sort of tools would be effective to enlarge the market. The present study is trying to answer all the above questions.

Sales promotion strategy is very costly. The manufacturers spent large amount of money to various activities of sales promotion to increase their sales or achieve target market share. The industrialist must know what benefits they are getting, instead of using heavy investment in terms of money and resources.

In view of the foregoing discussion, the problem encompassed by the present study are as follows:

- i. Which sales promotion tools are more widely used by the producer of Sony and Philips company as well as other electronic company ?
- ii. What are the most suitable media to announce the sales promotion program which offered by company ?
- iii. To access the impact of the sales promotion on sales as well as consumer behavior ?
- iv. How does the sales promotional activities affect the sales of Sony and Philips in the market ?
- v. Which sales promotional tools are more appreciated by the Nepalese consumer ?
- vi. What would be the market structure for Sony and Philips brand in future in the given competitive condition ?

1.4 Objectives of the Study

The main objective of the study is to find out the “Impact of sales promotion tools and technique on sales” of Sony and Philips brand consumer product and to find out which types of tools and techniques are used by the company to promote their business. However the specific objectives of the study are as follows:

- i. To study the sales promotion tools and techniques used by Sony and Philips Company.
- ii. To assess the impact of sales promotion on sales.
- iii. To analyze the effectiveness of sales promotion activities used by Sony and Philips Companies.

1.5 Significance of The Study

Due to globalization, market has become very competitive these days. Marketer are facing the problem of market share, over stocking and cut-throat competition. Different types of product with a number of alternative brands are available in the electronic market. The manufacturer offers different types of promotional tools to boost the sales and get the target market share. Among the different promotional tools sales promotion plays a vital role to persuade the consumer. It is the means of communication tools which is directly influence the consumer motives and change his buying decision.

In the modern competitive market, companies are trying to make their product strong and wants to became a success in the market. For this, they offer different sales promotion tools and techniques instead of

advertisement. Sales promotions are short-term in nature but facilitates for more sales and attract the new users by providing different types of sales scheme. Attractive sales scheme compel to user to change their brand. In the other hand, the old user are more brand loyal to his favorite brand.

In this situation, sales promotion is one the most effective short-term incentives which helps to increase the sales, profit and achieve target goals. The findings of this study may prove to be guideline for making strategies of successful marketing. This study, thus mostly helps producer and marketers to decide effective marketing strategies.

There are so many practices of sales promotion in the field of manufacturing as well as in service sectors. But none of them have measure the real effectiveness of the tools & technique and media for promoting product. This study will be useful to the strategic planner of the concern parties, scholars, consumers policy maker, manufacturers, dealers, sales personnel, marketing manager, academic persons and also to others who are interested directly and indirectly in the field of marketing area.

At last, but not least, it will provide literature to the researchers who want to carry out further research in this field. The findings of the research will definitely contribute something to the new researcher in this field.

1.6 Research Questions

The following questions will be analyzed in the study.

- Do consumer give more weight to sales promotion rather than any other promotional tools while making product selection decision ?

- What is the best sales promotion way to impact on sales the consumer for brand selection ?
- Does sales promotion contributes in more sales ?
- Do consumer choose a specific brand because of sales promotion ?

1.7 Hypothesis of the Study

The main hypothesis of this study are as follows

H₀₁ : There is no any relationship between brand loyal customer and sales promotion tools

H₀₂ : There is no any relation between brand selection and promotion attributes.

H₀₃ : There is no relation between the consumer promotion tools and brand choice behavior.

H₀₄: There is no relationship between the sales scheme and brand choice.

H₀₅ : There is no relationship between media selection and consumer buying habit.

H₀₆ : There is relation between the sales promotion and sales of product

1.8 Limitation of Study

Every Research works has some limitation. So the present study also have not bias from limitation. The main limitation of this study are as follows:

- i. The field survey is confined to Kathmandu district specially based on Kirtipur. It may not represent whole Nepalese market.
- ii. The sample size taken for this study is small in comparison to the total population.
- iii. This study is based on the response of different questionnaire.
- iv. Analysis of the data is based on the percentile method.

1.9 Organization of the Study

This study will be organized into five different chapter. This chapter will be as follows:

Chapter I : Introduction : This chapter provides background and information on the subject matter of research, undertakes and presents general idea and information about sales promotional tools and techniques. So this section include a brief description of sales promotion. Likewise statement of the problem ,objective of the study, significance of the study and the limitation of the studies are studied under this section.

Chapter II : Review of Literature: This section includes the reviews of relevant previous writing and studies to find the existing gap. So past studies in the sales promotion faction will be reviewed to examine what new can be contributed. It includes review of textbook, thesis/dissertation and newspaper articles .

Chapter III : Research Methodology : In this chapter the research methodology employed for the study will be described. It includes research design, data collection and source of data, data processing procedure, gathering ,presentation and analysis of data.

Chapter IV : Presentation and Analysis of Data : This chapter deals about the presentation, tabulation, interpretation and analysis of data through different statistical tools and techniques. Major findings are also present in this sections.

Chapter V : Summary, Conclusion, Findings and Recommendation: This chapter is the most important part of the study where major finding will be summarized, valuable recommendation and conclusions are drawn.

Bibliography or references and appendix will be included in the last part of the study.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Concept of Sales Promotion

Sales promotion is sometimes described as the bridge between advertising and sales, it is defined as a method of marketing communication other than advertising and person selling. Publicity as a non-paid medium of communication is kept apart from advertising, personal selling and sales promotion. However, in a communication mix, all the element advertising, personal selling, sales promotion and publicity are combined together.

There are definitions which show sales promotion in terms of what it is not. It is thus said that sales promotion is not advertising, although advertising may be used in its support. It is not product publicity although publicity is often a part of a sales promotion programme. It is not normal sales activity although sales promotion is an indispensable tool of the sales force. And it is not packaging although packaging may have a major role in particular sales promotion programmes.

Sales promotion techniques may differ according to the types of product under consideration. A manufacturer of durable goods may not be directly involved in a sales promotion after that is offered through channels. The type of after varies from product to product. A medicine, for example, cannot be promoted through incentives to the ultimate consumer. It is best promoted through opinion leader and the appeals made by the sales force proves to be more effective. But cigarette promotion is popularly carried out through incentive offers.

“Sales promotion refers to short term incentives to stimulate demand. It is used to create a stronger and quicker purchase response.” (Agrawal, 2061:376). It can be divested at consumers, middleman and sales personnel. It supplement advertising and facilities personal selling.

“Sales promotion refers to demand stimulating devices designed to supplement advertising and facilitates personal selling “(Stanton, 1989)

Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and /or greater purchase of a particular product by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offer an incentive to buy (Kotler, 1988, 645).

"In a specific sense, sales promotion include these sales activities that supplement both personal selling and advertising and co-ordinate them and help to make them effective, such as displays, shows and exposition, demonstrations and other non recurrent selling efforts not in the ordinary routine. (American Marketing Association)

"Sales promotion refers to activates of non-recurrent nature that are used to reinforce personal selling and advertising for stimulating consumer purchasing and dealer effectiveness.” (Koirala, 2057: 269).

"Sales promotion consists of a diverse collection of incentives tools, mostly short term, designed to stimulate quicker and /or greater purchase of particular products/services by consumer or the trade". (Kottler, 1990:645). Sales promotion includes tools for consumer promotion, trade promotion (i.e. buying allowance,. free good) and sales force promotion.

2.2 Feature of Sales Promotion

According to the Philip Kotler, the following are the common feature of sales promotion.

Sales promotion Includes Incentive Tools: Advertising and Personal selling use communication that provide customers with reasons to buy a product. On the other hand sales promotion is more aggressive and provide the direct incentives to buy the product.

Sales Promotion is Mostly Short-term: Sales promotion are normally implemented for a short time. Most of the sales promotion scheme are non-cyclical and are normally not repeated with in the same years.

Sales Promotion is Targeted at Quicker and /or Greater Sales: Sales promotion are basically targeted to achieve either faster sales or higher sales volumes of a product. Various sales promotion incentives induce new customers to buy the product and existing customers to buy more of the product.

It is Directed at Target Audience: The target of sales promotion can be consumer, trade channel and sales personals. This sales personnel tools differ according to the target category (Agrawal, 1999).

In conclusion, it can be said that sales promotion is a short term direct inducement or incentive to the sales force, distributors, or the consumers with the primary objective of creating an immediate sales. The sales promotion offer may be in different forms depending on the time, situation and place. An effective marketer makes offers which are both creative and

attractive in nature and relate to the sale of a particular product or service. For example the direct inducement to buy a particular brand through, Advertising media is a part of sales promotion, but advocacy advertising, corporate image advertising or advertising addressed to the financial community are not related to the sale of a particular product and therefore can in no case be regarded as sales promotion.

2.3 Sales Promotion with other Promotional Activities

The major importance of promotion activities is that they are undertaken to increase the sales of goods and services.

2.3.1 Sales Promotion and Advertising

Advertising and sales promotion are obviously not amenable to any clear line of demarcation. There is no convenient criterion to draw a dividing line between the two. Allocation of funds for advertising promotion expenditure is often made on trial and error basis. The most popular distinction between them is the dimension of a product. Products on sale has two dimensions; the intangible and tangible (Leonard M. Lodish 1986:6). Advertising is used to create awareness, image, and attitude and sales promotion is aimed at specific action (buying and Selling) Advertising is used to build long-term brand awareness and sales promotion for the decision to buy.

Sales promotion and advertising differs in terms of objectives as well as the frequency, duration and purpose of uses. Advertising informs, persuades and remain the target market where as sales promotion goes to encourage purchases by the brand loyal consumers and attracts new and competitors brand users. For effective sales promotion are required creative talent, time

and money. It becomes expensive with frequent operation while excess sales promotion with respect to a branded product may hurt that product's brand image. Advertising creates awareness in the market place and may be repeated several times to acquaint and remained the target market. Thus, advertising is designed to create an image of or to carry a sales message about a product or service to the consumer, while sales promotion is an activity used to generate an immediate sale of the product or service.

2.3.2 Sales Promotion and Publicity

Publicity a non-paid communication is expected to promote brand, products, persons, places, ideas, activities and organization (Kotter, 1976: 669). Publicity established indirect relations with industries or organizations. It is the function of public relations department of an organization to establish and maintain good relation with the public. Publicity covers security editorial space as divorced from paid space, in all media read, viewed or heard by company's customers or prospects. For the specific purpose of assisting the meeting of sales goals. Publicity and sales promotion do not go together. A non-controlled media is coincident with an event. It is an additional voluntary effort for sales promotion which can improve the image of a product or service to the people. So, to please them, a public relation officer tries to bribe the media of publicity. If it became paid promotion, the image of publicity is killed and will be an element of advertising. So publicity can be an element of promotional mix but not an element of paid or controlled promotion mix.

2.3.3 Sales Promotion and Personal Selling

Personal selling, in a broad sense, refers to communication aimed at generating customers for products, services, or ideas. Personal selling invariably means face to face communication. It is defined as "oral presentation in a conversation with one or more prospective buyers for the purpose of making a sale. (Edward M. Mazze 1976:4)

The objectives of sales promotion and personal selling are different. Sales promotion is supporting activity to influence consumer buying and to attract them. Where as personal selling aims at selling and makes effort to match selling with buying. Sales promotion uses the sales force for a highly selective form of communication that is to educate the trade channels about the product and to help in display and exhibition. Personal selling is used to build up buyers performance conviction and action (Ibid: 5). Sales promotion is occasional in nature which attracts the consumers to the point of purchase and encourage the consumers to the point of purchase and encourage them to purchase more through incentive offers, where as sales personnel visit the target market and educate them about the benefit and use of products and service as a continuous process. Sales forces used in sales promotion concentrate on a specific brand for a specific period of time. Sales people have never been involved with the retailer's promotional needs or with building a solid business relationship between the company and retailer, nor are they prepared, apparently to do so (Bud Frank and H.W. Philip: 1986:63). However personal selling is popular in the case of highly selective brands which can penetrate the market through opinion leaders. At the point of purchase, a trained sales personnel can impress more customers than an amateur individual.

2.4 Objectives of Sales Promotion

Sales promotion is an offer of different tactical promotion tools to stimulate or to create an immediate sales. They are varied in form so no single purpose can be attributed to them. Thus, for example, the purpose of a free sample may be to stimulate consumers for trial, whereas the purpose of a free management advisory service cements a long-term relationship with the retailer. However, all these diversified activities may be grouped into three major categories by specific target audience and promotional objectives.

- Sales promotion designed to stimulate, support and provide incentives for the sales force in its merchandising and selling efforts.
- Sales promotion designed to motive middleman towards providing active and enthusiastic support in marketing the company's products.
- Sales promotion designed to provide consumers with incentives aimed at stimulating trial or continued use of specific products.

A sales promotion programme if carefully designed, co-ordinate, and timed should be implemented at all three level.

2.5 Characteristics of Sales Promotion Tools

Sales promotion consists of a combination of various tools with different objectives implications and function differently in the mix. To match them with the stage of product life cycle, or the type of product and to the nature of product, requires full knowledge of each tool. Sales promotion is tactical and creative in nature. The tool actually offered may be distinct from what are explained here. However, the most popular tools are the following.

Coupons: A coupon is a certificate distributed by the manufacturer to the consumer redeemable at retail outlet, giving reduction in price on the purchase of particular product or brand. It is placed either in the package or distributed by direct mail or through sales personnel, or through the media system like newspaper, magazines or Sunday supplements.

Point-of-Purchase (PoP) Displays: A wide variety of point of purchase materials, such as poster, banners, streamers, price cards, racks, signs, displays and cartoons are placed at, on or in retail stores. These materials are distributed to retailers through wholesalers, the sales force, or by mail.

Samplings: Samplings refers to the free distribution of samples of a trial product to the consumer either by specially trained crews like milkmen, Local distributors and demonstrators or by mail.

Contest and Sweepstakes: Contest is a call to an expertise with the objective of propaganda about the product to the consumers while sweepstakes offer the consumer the right to participate in a game free of cost.

Advertising Specialties: Advertising specialty is an article of merchandise like pen, calendar, key chains, distributed free-of-cost either by direct mail or through sales personnel and dealers, or from point of - purchase display and in store demonstration.

Premiums: Premium is a merchandise item provided free of cost or at reduced price as an incentive to the buyer of a specific product. Different kinds of premiums, like direct premiums, self-liquidating premiums, free

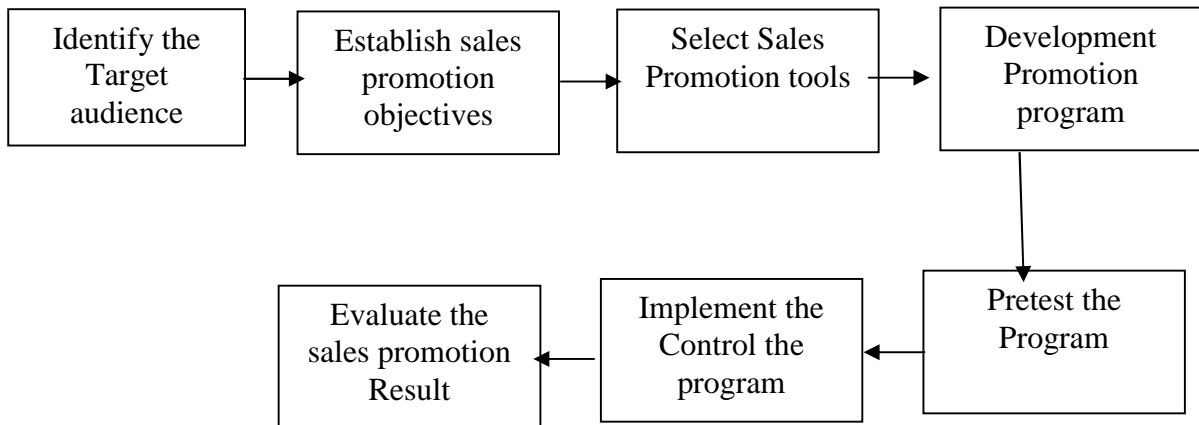
mail-in premiums, continuity coupon premiums and free give always are in practices.

Sales Meeting: This is the gathering of company's sales force at the national, regional or district levels to present new products, programmes, and plans and to stimulate the sales force to new efforts. (Koirala, Parashar)

2.6 Sales Promotion Decision

While inducing sales promotion tools to promote company's sales several decision have to be made decision made. Decision made randomly in sales promotion campaign may be quite ineffective and harmful to the company. Usually, sales promotion decision involves the following.

Figure 1: Sales Promotion Decision



a. Identify the Target Audience

The target audience may be consumers, reseller or dealer and sales forces or personnel. It should be clearly identified when sales promotion decisions are lunched.

b. Establish the Sale Promotion Objectives

Sales promotion objectives may vary according to the type of target audience. For consumer, the sales promotion objectives may be to encourage purchase of large -size unit, build trail among nonuser and to attract switchers away from competitors' brand etc. Similarly dealer or resellers, objectives may be to persuade to carry new items, encourage keeping stocks of related items, build brand loyalty and to encourage off-season buying, etc. At last for the sales force, the objectives may be to support new product or models, to encourage more prospects and stimulating off-season sales etc.

c. Select the Sales Promotion Tools

On the basis of sales promotion objectives effective or appropriate sales promotion tools should be selected. The appropriate tools can be selected among the tools mentioned in the above diagram.

d. Develop Sales Promotion Programme

After the effective tools are selected to fulfill the company's objective, the next important steps is to develop on effective sales promotion program. In order to develop an effective sales promotion program, a marketer should consider several factors such as.

- Determine the size of the incentive to be offered.
- Establish condition for participation.
- Decide on the duration of promotion whether it is for one week, one month or three months.

- Choose a distribution vehicle i.e., whether the coupon is distributed in the package, store, mail or advertising media. Each distribution method may involve a different level of reach, cost and impact.
- Establish time of promotion and develop calendar dates for their annual promotion.
- Determine the total sales promotion budget, including the administrative cost and incentive cost.

E. Pretest the Sales Promotion Programme

Before launching the sales program in the target market, it is better to select certain market, it is better to select certain market area and implement the sales promotion program in such selected market areas first to measure the effectiveness of the program and to rightly project the company's sales.

F. Implement and Control the Sales promotion

If the sales promotion program launched in the select market area becomes successful, the final sales promotion program will be designed and implemented in the specified time and the program will be closed after the specified time is completed. Before the program is launched the marketer has to identify lead time to prepare advertising and sales promotion materials, notify the field sales personnel, purchase on print the special premiums, distribute them to the concern parties including customer to retailer. And then identify the duration of the sales promotion for which the program is launched. After completion of sell-in-time the program should be closed. Otherwise the sales promotion program will be ineffective.

G. Evaluation the Sales Promotion Results

After sales promotion program is over, the marketer should evaluate the effectiveness of the programme and the benefits received by the company by launching such programme. If the programme found successful, the company can offer the same type of promotion program in future too. Otherwise, the program should be redesigned to get maximum benefit.

2.7 Nature of Sales Promotion

Sales promotion as those promotional activities (other than advertising, personal selling and publicity) that are intended to stimulate customer demand and to improve middleman's marketing performance (American Marketing association: 1960 :20). A list of sales promotion activities is a long one. It includes the use of Coupons, Premiums, in-store, display, Tradeshow, Free sample, Context for consumer or middleman and many other activities. These activities may be conducted by producer or by middleman. Sales Promotion by producers may be directed at middleman or at the end users-either household consumers or industrial users. Middleman direct their sales promotion efforts at the end users consumer or industrial.

While sales promotion is some thing separate from advertising and personal selling, all three activities often are interrelated. In fact, a major function of Sales Promotion is to serve as a bridge between advertising and personal selling to supplement and co-ordinate efforts in these two areas. For example an in-store display (sales promotion) furnished by the manufacture for store selling Michelin tires may feature a slogan and illustrations form Michelin's current advertising campaign. This effective display then makes

the retailers more receptive to talking with the Michelin sales people. or sales force prospecting leads may be generated from people who visited the canon copy-machine exhibit at an office equipment trade show.

2.8 Method of Sales Promotion

The sales promotion method can be grouped into consumer promotion, trade or dealer promotion and sales force promotions.

2.8.1 Consumer Promotion Method

Consumer promotion method encourage customer to visit particular store, purchase a particular brand and purchase it in more quantity. Consumer promotions are launched by retailers as well as manufactures. The choice of tools also varies between new product and existing products.

2.8.1.1 Sales Promotion for New Product

Demonstration: Under this method, the product is demonstrated to general public. It is less aggressive promotion method. It is implemented to attract attention of prospective buyers on the product. it is a popular promotion method among marketers of consumer durable goods and washing Powder.

Free Sample: Under this method, free sample are distributed to consumers for free trial. It is very effective promotion method during the introductions stage of the product life cycle. The sample could be mailed to consumers, distributed in central location or handed out in the retail stores. This method is suitable for low price, light weight consumer items that can be distributed in miniature packages.

Coupons or Trading Stamps: Coupons are certificate of purchases awarded to buyers that can be redeemed into cash or another product. Coupons are distributed manufacture as well as retailer. Retailers use trading stamps based on the total amount of purchase while manufacturers distributed coupons on the units of product bought by the consumer.

Money Refunds or Rebates: Money refunds or Rebates are generally used by manufactures to reward consumers for the purchase of a product. When consumers buys the product they are required to mail a point of purchase directly to the manufactures. On the receipt of the Point of purchase, the manufacturer refunds the rebate amount prevailed in the deal.

Trade Fare and Exhibition : Trade Fare participation provides a very wide exposure to the product among potential users. Trade Fairs and expositions are organized at national and international levels. Manufactures may participate in such trade fairs in order to expose their new product to a very large no of visitors. Installations and accessory equipments are mostly introduced through special exhibitions. Most of the new models of Aircraft and Cars are exposed in special Exhibition.

Point of Purchase (PoP) Displays: PoP displays are normally placed in retail outlets. They can be in form of posters, cartoons and mobiles. They are strategically placed in the retail outlets to catch buyer's attenuation. PoP materials are very effective in building consumer awareness on the product. It often contributes building consumer awareness on the product.

2.8.1.2 Sales Promotion Method for Established Product

Premiums: Premiums are items offered for free or at minimum costs as a bonus for a purchase of a product. Premiums are the most extensively used sales promotion tools in Nepal. Premiums can provide an immediate boost of sales by attracting competitor's customers.

Price-Offs : Price offs offers the product at a reduced price. The label on the package generally announces a price off on the product. Such price-off are used to promote products during off seasons. Price-offs normally stimulate consumer demand and help the marketer to sell products in large quantity in a very short duration.

Consumer Contests: It invites consumer to participate in a contest to win various prizes using their analytical and creative skills. Contest may be organized to solve a cross word or other puzzles. Consumer buy the product in order to participate in the context that boost the sales of the product.

Consumer Sweepstakes: Consumer participate in sweepstakes by entering their names as participants. Consumers are required to send in several empty packages along with their names. Prizes are drawn over all the collected names. Sweepstakes are less expensive but more effective than contexts in stimulating sales.

2.8.2 Trade or Dealer Promotion

Trade or dealer Promotion methods are directed at the resellers. They are targeted to increase inventory level of resellers and build sales traffic at the retail level. This method also encourage resellers' to actively participate in the promotion of the product at the local level.

Buy Back Allowances: Buy-back allowances are bonuses paid to resellers. The amount of bonus is calculated on the purchase of a product by reseller during a specified time period. Such allowances are designed to reward resellers in proportionate to their purchases. Large buyers receive higher level bonuses as compared to small buyers. Buy-back allowances encourage resellers to handle larger inventories.

Free Merchandise: Under Free Merchandise method, the reseller are offered more units of the product at the regular price. This method also encourage resellers to buy in large volumes in order to increase their profits. It relives the manufacturer from maintaining bonus accounts for each resellers.

Buying Allowances: It is temporary price reductions offered to the resellers for purchasing a specified quantity of the product. They are similar to price-off offered to customers. Buying Allowances also encourage resellers to buy more units of the product.

Merchandise Allowances: Merchandise allowances or push money is paid to resellers for undertaking special promotional efforts at the local level. Manufacturers pay push money to retailers for participating in special

display. Wholesale also receive push money from manufacturers for undertaking local level advertising.

Sales Contest: Sales Contest are organized between resellers to recognize and reward the most efficient channel members. Sales Contest are based on Purchases for wholesalers and effective displays for retailers. The rewards in such contests effective displays for retailers. The rewards in such contests may be in the form of cash prizes or special holidays trips.

Dealer Loader: Dealer Loader is a gift provided to efficient resellers who purchased a specific quantity of the product during a specified period of time. Gifts may be provided to retailers for their special display efforts.

2.8.3 Sales Force Promotion

Sales force promotions are directed at it sales forces. It can be used by manufacturers and resellers. It consist of

Sales Contest : It induce sales force to increase sales over a stated time period. The prizes can be cash, trips or gifts. The indicators should be measurable for sales contests to be effective.

Trade Show and Conventions: The product are demonstrated at trade shows. Sales force develop customer contacts to get sales orders during trade shows. Conventions of sales force are also organized. They provide an opportunity to sales force to interest with the management and colleagues.

Gift Items: Sales personnel are provided with small gift items like Pen, Diary, Key chain, Calendar etc. which bare company name. They distribute them to customer free of cost.

Promotion Kits: Sales personal are provided with promotional kits that contain catalogues, brochures and other promotion about product. Demonstration model of the product may also be provided.

Bonus and Commission : They are cash awards to sales force to increase sales over specified volumes. They induce extra efforts by sales personnel.

2.9 Potential of Sales Promotion

Sales promotion can supplement the selling efforts by providing an extra incentive to the consumer to purchase the product. But sales promotion as a marketing tool has its own limitation too. And when handled without understanding these limitation, its effects can be negative. That means sales promotion cannot be used indiscriminately. It is interesting to remember that quite a few marketing experts have the view that where as advertising builds up brand loyalty, sales promotion breaks down brand loyalty. While such a 'branding' of advertising and sales promotion may not be appropriate, it certainly throws light on the side effects an inept handling of sales Promotion can create. No wonder, sales promotion used to be viewed and skeptically by marketing men. However, over the years, not only this trend has changed but also a trend to view sales promotion as a constructive marketing tools has developed.

While resorting to sales promotion, it is essential that these dimensions are kept in focus. Sales promotion should from part of a well planned and well integrated communication/promotion strategy. It must be remembered that sales promotion is just one element of the marketing communication mix of the firm. When it seems with the other elements, it is very productive. But when it handled as an independent tool available at the back and all the marketing man, it can harm the long term interests of the brand/product. So sales promotion must be used judiciously ensuring that the money spent on sales promotion adds to the strength of the communication/promotion efforts of the firm.

2.10 Review of Related Studies

I. **Bhatta, (1998)**, was conduct a research in entitled of the “Sales Promotion and its Effect on Sales”: A Case Study of Beer market. Major objectives of this study were impact of sales promotion on sales of bear:

The major findings of this study are as follows:

- The person drinks beer for relaxation rather than other causes.
- The people prefer San Miguel Brand more than other Brands.
- People were aware about sales promotion activities. Out of them most people know about cash prize than other tools of sales promotion. Likewise people are insisted by the cash prizes out of all other tools.
- Those most people like little bit of the contest but out of the persons who have taken parts in contests have not got any prizes yet. And those who have got the prizes are insisted to have same brand of beer. So it is clear that the person who get the prizes out of promotional activities are convinced to have brands of beers.
- Electronic media is very popular among the people and the people who watch and listen media notice the advertisement, the percentage of the people notice advertisement for entertainments are higher than for information.
- There are positive relationship between the sales and the sales promotion. If the expenses on sales promotion increase in the sales increase in high speed.
- Cash prizes are the most popular as well as effective sales promotion techniques for the beer industries. In one hand, companies in every

promotional programme offer cash prizes and the other hand most people say that they are induced by the cash prize.

II Another research entitled on "Impact of sales promotion tools on sales of Cold Drinks" was conducted by Mr. By Adhikari (2002) in the field of sales promotions. The following are the major objectives of the present study;

-) To find out which promotion tools and media is more acceptable to Nepalese consumer.
-) To evaluate effectiveness of sales promotional activities in the sales of Cold drinks in Nepal.
-) To evaluate the relationship between sales promotion package and consumer behavior.

This research is based on primary data as well as secondary data and the major findings of this study were as follows:

- People are aware about sales promotion activities. Out of them most people know about item prize than coupon then cash prizes. But cash prize is effective than others tools.
- The sales of one brand doesn't effect negatively to the sales of other brands. As the observation shows that the trend of all two brands are increasing.
- All media is not popular among the people. Only electronic media (F.M., T.V) is very popular among the people and the people who watch and listen media notice the ads, the percentage of the people notices ads for. entertainment are higher than for information.

- Retailer are interested on promotional program. They are aware of cash prize than other promotional work. Thus sales promotion programme has positive impact on retailers and most of them taken parts on contest and win prizes.

III Poudel, (2007) conducted a study on “Impact of sales promotional tools on sales of beer market.” With special references to Bhaktapur Municipality With the followings major objectives:

-) To assess the impact of sales promotion on the sales of beer.
-) To find out which promotion tools and media are more acceptable to Nepalese consumer.

This study is basically based on the primary data. The major findings of his study were as follows:

- It has been found that among different group of respondents in the society male and female, the consumption of beer is more popular for male and female. His data shows the fact that 90 percent of the male respondents like beer.
- His second major findings shows that among 150 respondents of different age group and sex, the habit of drinking beer is popular among 35-50 age group . In this age 65 male likes beer where only 5 female respondents prefer it in total 70 numbers. In this way, the age group of above 50, the female respondents who like beer number is zero.
- Third finding shows the drinking frequency of respondents. It found that more respondents are taking beer once a week. It covers 40

percent of whole respondents according to his field survey and only 16 percent likes daily consumption of beer. So on, 30 percent have habit of tasting drink occasionally and 14 percent respondents taste the beer rarely. Through, this study, we can say that the frequency of drinking over a period of time shows the significance difference of respondents in different time period.

- Next major finding includes that the consumer's first preference goes to Tuborg Brand: The field survey shows 52 percent give preference to it. In this way 34 percent consumers preference San Migual and Preference for other brands are only 14 percent. This shows the quality and name of Tuborg is very popular.
- The survey of effect of promotional tools shows that most of the consumers are aware about sales promotion activities and out of them most consumers know about item prizes, Coupon, then cash prizes. But the study shows that cash prize is effective than other tools.
- In the choice of beer consumption, the drinkers have not been particular about the choice of brand. So the concept of brand loyalty is not found in Nepalese beer market till now. However, with the influence of advertisement and other promotional tools, they can easily be directed towards one particular brand through proper marketing net.
- The survey of interest on promotional contents shows the large number of people are interested on it which covers 60 percent of respondents that the manufacturer launch various occasion.
- Our study helps to conclude about the different promotional tools which are used to uplift the beer market.

- The study of brand switching shows that 74 percent of consumer switch their brand if they do not provide any promotional package and 26 percent of respondents are brand loyal.
- The study shows that most of the respondents have the opportunity to observed promotional tools. It capture 76 percent respondents and 24 percent of respondent are not having the opportunity to observe promotional tools. It shows that the interest to observed different promotional tools in the field of beer market, most of the respondents is aware of it.
- In the field of media selection for beer advertisement, all the media are popular among the people. Only hording board capture the attention of 44 percent respondent, 12 percent are interested in wall painting, 10 percent enjoy with newspaper and 34 percent respondents do not have any particular choice.
- This study shows that if the expenses n the sales promotion increase, the sales of the product also increase.

Aryal (2005), Conducted another study is entitled of "The study of market share of Colgate : In Companion with other brands. This study mainly focus to find out the market share of Colgate in comparison with total other brand toothpaste. In this study is based on the primary and secondary data. The major findings of the study are as follows.

- Normally people brush twice a days in KTM because of the people are educated and are health conscious.
- Most people always performed T.V. media among the various other media.

- The expenditure on toothpaste by people is not much because the price of toothpaste is cheap than other daily use commodities.
- Most shops are stocking more brands but close up and Colgate are highly stocking and selling brands.
- The retailers are purchasing their stock of toothpaste form the distributor mainly because all companies have their won distributor in most of the place in valley.
- The shopkeeper sells close up in more quantity than other brands. It shows that the close up sales is high and its market share is also high than other brand of toothpaste.
- On purchasing the toothpaste people generally observed different incentives or scheme on different brands. So the scheme have direct impact on sales. Hence the different companies offer different schemes on their products and on observing the view of people, they also say that the scheme and different prizes induce them.

So, none of the above study have done such type of research in sales on “impact of sales promotion on sales of Sony and Philips brand”. So that this is a beginning of a good tradition of research on sales promotion. As a matter of fact, sales promotion is an important as well as interesting subject of the study for all intellectuals, university scholars, company , business man and business students who directly concern on this matter. So this research encourages as well as anticipates further research on sales promotion.

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter, an efforts has been made to provide a description of data sought for meeting study objectives together with procedure employed for collecting and analyzing the data. It is necessary to choose the appropriate research methodology that helps to carryout this study. With a view to attain overall objectives examining impact of sales promotion tools on sales, this study attempts to identify and analyze the sales promotional tools and its effectiveness to the electronic consumer.

3.1 Source of Data

In connection with this topic, mainly primary data and supplement of primary data, secondary data are used. The primary data have been collected from the ultimate electronic product consumers of different locations, occupations, age group and different income and education level in Kathmandu valley. Secondary data were collected from the company, dealer, websites, and magazines.

3.2 Population and Samples

150 population was taken as a sample. Respondents were selected through the stratified judgmental sampling from different location of Kathmandu Valley. The stratification is based on age, income, education and profession.

For this study, more than 120 questionnaire were distributed to the collection of primary data. The researcher also taken opinions from real consumers and distributors. All the questionnaires were distributed in Kathmandu valley

specially in Kirtipur Municipality. Below table given the clear glimpse of the respondents.

Table 1
Demographic Profile

Gender	Consumer		Dealer	
	Respondent	Percentage	Respondent	Percentage
Male	80	67	27	90
Female	40	33	3	10
Total	120	100	30	100

The above table shows that out of total 120 consumer respondents male respondents are 67 percent and female respondents are 33 percent similarly out of total 30 dealer respondents male respondents are 90 percent and female respondents 10 percent are taken for the study.

3.3 Research Design

The basic objectives of this study is to understand the impact of sales promotion tools on sales and its effectiveness, the buying decision system or involvement, family influence, other recommendation, and consumption pattern, reasons for preferring certain brand and desired attributes sought in a brand. This is an descriptive study and it is based on survey research design. The necessary data and information collected from the real consumer, distributors, sales forces and others who are other brand users. That collected information and data are rearranged, tabulated, analyzed and interpretation according to the need of the study for the attainment of the stated objectives.

3.4 Data Collection Techniques

Both primary and secondary data has been used for this study. Primary data were collected through questionnaire, interview and observation methods and secondary data are collected through text books, sales record from dealer, websites and from company. A structured questionnaire was designed to collect the required information (Appendix I and II). Along with the questionnaire, interview has been conducted in the process of data collection. For the sake of designing the content of questionnaire. Suggestions and ideas have been collected from experience scholars. In the process of data collection, different types of questionnaires were distributed to the respondents. Assistance from friends were also taken to collect the data. Out of total 150 questionnaire, 120 questionnaires were distributed to the consumers and 30 questionnaire were distributed to the dealer or distributors. Secondary data were collected from the company personnel and dealers. Rest information are collected from the magazines, other dissertation, websites and booklets. Formal and informal interview were also conducted at the time of data collections. Different ideas were also administrated from scholars. Then, collected information were arranged according to the purpose of study.

3.5 Data Analysis Tools

Regarding the presentation and analysis of the data in this study , data have been presented in tabular form. So that it can be analyzed using different tools .For the analysis of presented tabular data , various figures such as pie-chart, graphs, Bar diagrams, trends analysis, correlation, regression ,forecasting , percentage were used. Such figures normally shows that the growth trends, increase and decrease in number and in percentage, percentage share etc.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Practices of Sales Promotion in Nepal

The present world is going to be globalization. Due to globalization the firms has been bearing more competition. In Nepalese context, there are tough competition among the manufactures. Only producing the product, is not success in the market. For the success sales promotion becomes necessary tools for the producers'. Now different type of sales promotion tools and techniques have been applied to get the target goal in Nepal.

With the increase in Brand and the market competition among the firms, use sales promotion tools heavily increasing in Nepalese markets, especially while marketing the instant noodles, airlines tickets, readymade garments, electronic product, newspapers, banks etc. They offer sales promotion tools not only the ultimate consumer but also the dealers and organization staffs too.

Various noodles manufactures have provided Cash Prizes, Gold and other jeweler prizes etc. Peanuts provides coupon to the buyers. Marketers of woolen goods offer grand sale during the summer. Manufactures of toothpaste provide extra tooth paste and tooth-brush free. Several airlines provide lucky draw scheme of free ticket and motorbike on its flights.

Kantipur publications offered one Sharp-Branded "Electronic Organizer Calculator" free to its customers for 3-years membership of Nepal Magazine. Himal Media Ltd. Offered one "Yashika" Camera free to its customers for three-years membership of Himal Magazine. Hotels of Pokhara provide "Four Package Program" to promote internal tourism.

Nepal Lever Ltd. has provided one pocket of "Surf Excel" amounting Rs. 3 free with the purchase of each "Vim Dishwash Bar" containing 125 grams. Similarly, Gorkhapatra has provides "Yuva Munch" or "Muna" free to new customers. Himalayan Bank Ltd. Provides "Life Insurance", Free Home, Lakhapati program facility to it's saving account-holders.

Many marketers of varied products and services regularly offer Price-off, Discount, Bonus, Gifts, Rebates and sample products to their customers in many occasions on purchase or use of specified product in specified quantity. Surya Tobacco Company and other organizations, time to time organize contests in sports and games to promote their name in the market. Such as "Golf", "Football", "Cricket" Tournament and other different "Musical" Tournaments etc.

In medicines, multinational companies organize sales contests and provide prizes to the best performers. They also provide several gift items such as Note-Book, Pen, Table and Clocks, Calendars etc. and Sample medicines to the retail shops and Doctors.

Almost all manufacturers provide commission and Bonus to its distributors or resellers for dealer or trade promotion. Similarly provide the Coupons, Discount, Price-off, Prizes to its customers and also provide the different prize to sales forces of owns sales staffs.

Coca-Cola and Pepsi-Coal companies also provide different types of Cash discount, Liquid free, Other different "Bonanza". They also organize different tournament, musical contest program sponsored to promote their name and product. Some times they provide many scheme to the consumer as well as dealer and sales forces.

Similarly, RNAC provides Free ticket to its staffs once a year for traveling abroad as reward to them for their service. Another cosmic Airlines also provide price-off, contest for its tickets and also announce weekly motorcycle prize for their consumers. In this way all sectors are performing sales promotion program to promote their product and name to achieve their target goals.

Glasses, Key chains, Peanuts are offered free or Beer and Liquor purchase. Several caps needed for getting glass. Hulas Biscuits also puts coupons in the biscuit pack. Horlicks Biscuits have 25% extra quantity provide. Kisan Shop provided one free soap for 12 wrappers and Liril Soap provided one soap case free with two bars of soap. Many shops in Kathmandu give price off special discount (10% or SALE) during festivals. These are the some practices of sales promotion prevailing in the market.

4.2 Presentation of Surveyed Data

The present study is mainly exploratory type of research. In this research, the researcher tries to give more accurate and viable picture of the impact of sales promotion on sales management . For this purpose, two types of questionnaire are prepared and distributed to collect the data accordingly to the perception of the respondent and tried to interpret that. First type of survey is conducted specially in Kirtipur municipality as well as Kathmandu Valley to explore what the consumer thinks or react about the promotional activities which has been offering by Sony and Philips company. And second type of survey is conducted within the distributors of Kathmandu valley to identify the priority about sales promotion activities which has been doing by the companies. Lastly, sales data and sales promotion expenditure are collected through the different dealers. Sales and expenditure data are analyze through different statistical tools to shows the

effectives and relationship of sales promotion and its impact on consumer buying behavior.

4.2.1 Respondent's Profiles

Table 2
Educational Level of Respondents

Level	No.	Percentage
Literate	17	14
Below intermediate	33	28
Below post graduate	53	44
above post graduate	17	14
Total	120	100

Source: Field Survey, 2011.

The above table shows that out of total respondent, 14 percent respondents are literate, 28 percent respondents are below intermediate or SLC equivalent, 44 percent respondents are below post graduate and remaining 14 percent are above post graduates or job holders.

Table 3
Age Level of Respondents

Age	Respondents	Percentage
Below 30	60	50
Below 40	35	29
Below 50	20	17
Above 50	5	4
Total	120	100

Source: Field Survey, 2011.

The above table shows that out of total respondent, 50 percent respondents are below 30 years, 29 percent respondents are below 40 and 17 percent

respondents are below 50 years . Similarly rest 4 percent respondents are above 50 years old age.

Table 4
Income level of Respondents

Income level	Respondents	Percentage
Below Rs. 5000	32	27
Below Rs. 10000	45	37
Below Rs. 15000	15	13
Above Rs. 15000	28	23
Total	120	100

Source: Field Survey, 2011.

The above table shows that out of total respondents 27 percents of respondents have income below Rs. 5000 Per month, 37 percent of respondents have income below Rs. 10,000 Per month, 13 percent of respondents have income below Rs. 15000 Per month and rest 23 percent of respondents who are engaged in business have income above Rs. 15000 month.

4.2.2 Consumer Buying Habit of Electronic Product

To know about consumer buying habit, the researcher, puts the question to the respondents' as How often do you buy the product. The following series of table presents the response.

Table 5
Buying Frequency Electronic Product

Particular	Respondents	Percentage
Need Realization	77	64
Increase in income level	16	13
Heavy discount	23	19
Other	4	4
Total	120	100

Source: Field Survey, 2011.

The above table shows that, out of total respondent 64 percents of respondents buy the goods after the need realization, 13 percents respondents buy the goods after showing the heavy discount and remaining 3 percents respondents buy the goods randomly or without specific time period or reasons. Similarly 13 percents respondents buy the goods due to increase in their income .

4.2.3 Favorite Brand Selection Pattern of Consumer

Table 6
Favorite Brand Preference

Particular	Respondent	Percentage
Sony	60	50
Philips	40	33
Other	20	17
Total	120	100

Source: Direct field Survey, 2011.

The above table shows that out of total respondents, 50 percent of respondent choose their favorite brand as Sony product, 33 percent give their

preference on the Philips brand and rest 17 percent respondents choose their favorite brand as other than Sony and Philips brand. It shows that most of the respondents preferred their favorite brand as Sony, Philips and others respectively.

Hypothesis No. 1

Ho : There is no relationship between brand loyal customer and sales promotion tools

H1 : There is relation between brand loyal customer and sales promotion

Since the calculated value χ^2_{cal} (40) is greater than the tabulated value χ^2_{tab} (5.99) at 5% level of significance for 2 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted (Appendix III).

Hence, we conclude that there is significance relation between the brand loyal consumer and the effective sales promotion scheme.

4.2.4 Knowledge of Sales Promotion Program

To know consumer opinion about promotional strategy that electronic companies performs, the researcher has raised the subject with very simple question such as "Do you know about sales promotion offers?". The following table shows promotional strategies about the sales promotion offers.

Table 7
Do You Know About the Sales Promotion Offer ?

Particular	No.	Percentage
Yes	92	77
No	28	23
Total	120	100

Source: Field Survey, 2011.

The above table reveals the knowledge of promotional strategies that has been offered by manufacture of Electronic product. Table Shows that only 23 percent of respondent are not aware about sales promotion and 77 percent of respondents are aware about the sales promotional offers .

Table 8
Aware of Sales Promotion

Particular	No.	Percentage
Consumer promotion	44	37
Trade promotion	12	10
sales for promotion	16	13
All of fore promotion	48	40
Total	120	100

Source: Field Survey, 2011.

The above table shows that out of total respondents Out of total respondents 37percent of the respondents are aware of consumer promotion, 10 percent of the respondent are aware of trade promotion, 13 percent of respondent are aware of sales force promotion. And remaining 40 percent respondents are aware of all sales promotion activities launched by the companies.

It concludes that major portion of respondents are aware of all sales promotion program. Most of them are aware of consumer promotion. It indicates that all respondent are clearly familiar with sales promotional strategies.

4.2.5 Reason of Buying Particular Brand

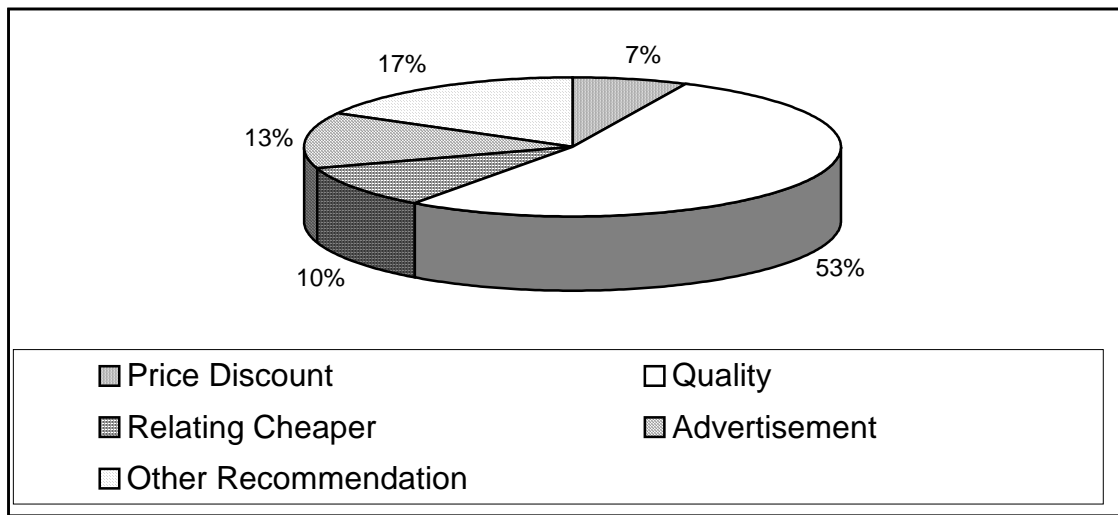
Table 9
Reason of Buying Particular Brand

Particular	No.	Percentage
Price Discount	8	7
Quality	64	53
Relating Cheaper	12	10
Advertisement	16	13
Other Recommendation	20	17
Total	120	100

Source: Field Survey, 2011.

The above table shows that only 7 percent of respondents buy the product by getting price discount, on the other hand 53 percent respondents buy the product due to the quality, it shows most consumer believes in quality of the product. Similarly 10 percent of the respondent are buy due to the relatively cheaper price, 13 percent of respondent are buy the product due to the advertisement and 17 percent of the respondents buy the product by others recommendation.

Figure 2
Reason of Buying Particular Brand



4.2.6 Factors Consider in Buying Decision

Table 10
Consideration of Factors in Buying

Particular	No.	Percentage
Quality	46	38
Warranty	40	34
Price	10	8
Advertisement	12	10
Offer/discount	4	3
Family influences	8	7
Total	120	100

Source: Field Survey, 2011.

The above table describes the significance of factors in buying decision. Out of total respondent, 38 percent of respondent buy goods determining the quality of particular goods whereas 34 of the respondent believes in warranty, 10 and 12 percent of respondents are lure by price and advertisement respectively in marking , 3 percent of respondent buy goods

on the basis of discount whereas 8 of respondent buy the product due to family influences.

It concludes that, the quality of products is the important factor of consumers in buying decision. And warranty should be make in the product because it plays major roles in buying decision.

4.2.7 Factors influence in Buying Process

Table 11
Influencing Factors of Buying Process

Particular	No.	Percentage
Credit Facility	4	3
Family recommendation	44	37
Sales scheme	21	17
Advertisement	8	7
All of them	43	36
Total	120	100

Source: Field Survey, 2011.

From the above table, it is observed that credit facility, family recommendation, sales scheme and advertisement are the influencing factors in buying process.

Out of total respondents, 36 percent of the respondent are influence by all the mention factors, 37 percent of the respondent are influenced by family recommendation. Similarly sales promotion and advertising are the most important tools which influences the buying process of 17 and 7 percent of respondent respectively. And Credit facility is also the key factors which influence 3 percent of respondent in buying process.

4.2.8 Brand Change Behavior of Consumer

To understand about the brand change behavior of consumer, the researcher puts the following questions to the respondents, “Do you change the brand if other brand provides the very effective sales scheme ?

Table : 12

Do you Change your Brand by Influencing other Offers ?

Particulars	No.	Percentage
Yes	20	17
No	32	27
Sometimes	60	50
Don't know	8	6
Total	120	100

Source: Field Survey, 2011.

The table shows the frequency of decision of respondent in changing brand, influencing by effective sales promotion of other brand.

Out of total respondents, 17 percent of the respondent agreed with question provided, 27 percent of the respondents are not agreed with question, 50 percent of the respondent answered that they sometimes change their brand if they are influence by sales promotion and 6 percent of the respondent are unaware about the changes in brand.

Hence, it concludes that most of the respondents doesn't change their brand by influencing other brand offers.

Table 13
Factors Consider in Brand Change

Particular	No.	Percentage
Quality of Product	48	40
Effective Sales Scheme	12	10
Advertising	15	13
Seller Influence	22	18
Family Recommendation Other	23	19
Total	120	100

Source: Field Survey, 2011.

The above table shows the factors that the respondent take into consideration while changing brand.

Out of total respondents 40 percent respondent changes their brand due to quality product, 10 percent of respondent change their brand by effective sales scheme, 13 percent of respondent are influenced by advertising to use new brand , 18 percent of the respondent change their brand due to seller convincing capacity and 19 percent of respondent change their brand by family advice and recommendation.

Hence, it can be concluded that qualities of the product plays the significant role in changing the brand of product.

Hypothesis 2

Ho : There is no any relation between brand selection and promotion attributes.

H1 : There is relation between brand selection and sales promotion attributes.

The tabulated value of chi. square (χ^2) or χ^2_{tab} at 5% level of significance for 4 d.f. is 9.49.

Since the calculated value of χ^2 or χ^2_{cal} (33.58) is greater than tabulated value of χ^2 or χ^2_{tab} (9.49) at 5% level of significance for 4 d.f. So null hypothesis rejected and alternative hypothesis is accepted (Appendix IV).

Hence we conclude that there is relationship between brand selection and consumer behavior.

4.2.9 Importance of Consumers Promotion Tools

Table: 14
Effectiveness of Consumer Promotion Tools

Particulars	No.	Percent
Coupons	7	6
Discount	50	42
Contest	8	7
Premium/Gift	16	13
0% financing	34	28
Others	5	4
Total	120	100

Source: Field Survey, 2011.

The above table describes the significance of consumer promotion tools. Out of total respondents, 6 percent of the respondents are attracted by coupons, 42 percent of respondent by discount, 7 percent of respondent by contest, 13 percent of respondent by gift, 28 percent of respondent by 0% interest finance facility and remaining 4 percent of respondent by the other factors.

It summarizes that most people give more importance on discount then finance facility while buying goods. Therefore price discount play the pivotal role in sales of goods. Company should emphasis on price discount tools while designing the sales promotion strategy.

Hypothesis 3

Ho : There is no relation between the consumer promotion tools and brand choice behavior.

H1 : There is relation between the consumer promotion tools and brand choice behavior.

The tabulated value of chi. square (χ^2) or χ^2_{tab} at 5% level of significance for 5 d.f. is 11.07.

Since the calculated value of χ^2 or χ^2_{cal} (82.5) is greater than tabulated value of χ^2 or χ^2_{tab} (11.07) at 5% level of significance for 5 d.f. So null hypothesis rejected and alternative hypothesis is accepted (Appendix V).

Hence we conclude that there is significance relation between the effective consumer promotion tools and brand choice pattern of summer.

4.2.10 Contribution of Promotion Factors in Brand Choice

To understand the opinion of consumer on promotion factor in brand choice, the researcher asked the question "What are the factors that contributes in brand choice? The reaction patterns are found as follows:

Table 15
What Factors Contributed in Brand Choice ?

Particulars	No.	Percentage
Effective sales scheme	12	10
Advertising	20	17
Warranty	32	26
Credit facility	14	12
Other recommendation	8	7
Quality	34	28
Total	120	100

Source: Field Survey, 2011.

The above table traces out the contribution of promotion factors in brand choice.

Out of total respondents, 10 percent of the respondent choose their brand through effective sales scheme, 17 percent through advertisement, 26 percent throughout warranty, 17 percent through the credit facility, 28 percent through quality and 7 percent through other recommendation.

Hence, it concludes that the best factor for brand choice of respondents is quality, warranty, advertising respectively.

Hypothesis 4

H0: There is no relationship between the sales scheme and brand choice.

H1: There is relationship between the sales scheme and brand choice

The tabulated value of χ^2 at 5% level of significance for 7 d.f. is 12.59

Decision: Since the calculated value of chi square χ^2 is greater than the tabulated value of χ^2 at 0.05 level of significant. So Null hypothesis (H0) is rejected and hence, alternative hypothesis H1 is accepted. It means there is significance evidence of a relationship between sales scheme and brand choice.

The above Test shows that there is relationship between sales promotion scheme and brand choice or preference. Effective sales scheme diverse the consumer mind and compelled to choice the brand of product according the scheme.

4.2.11 Suitability of Media to Announce the Offer

Table 16
Media Selection Pattern

Particulars	No.	Percentage
Print	36	30
Electronic	56	46
Outdoor	8	7
All of them	20	17
Total	120	100

Source: Field Survey, 2011.

The above table shows the suitability of media to announce the offers.

Out of total respondents, 30 percent respondents select print media to announce the offers, 46 percent respondent select electronic media, 7 percent respondent select outdoor advertising and 20 percent of the respondent select all the media to announce the offers.

Hence, it conclude that most of the respondents select electronic media and then after print media to announce their offers.

Hypothesis 5

H_0 :There is no relationship between media selection and consumer buying habit.

H_1 : There is relationship between media selection and consumer buying habit.

The tabulated value of χ^2 or χ^2_{tab} at 5% level of significance for d.f is 7.813.

Since, the calculation value of χ^2 or χ^2_{cal} (=11.8633) is greater than the tabulated value of χ^2 or χ^2_{tab} (=7.815) at 5% level of significance for 3 degree of freedom. So null hypothesis is rejected and alternative hypothesis is accepted (Appendix VI).

Hence we conclude that there is significant evidence of relation between media selection and consumer buying habit.

4.2.12 Reason for Brand Switching

It is not necessary for the people always to be strict on their current preferred brand. The choice and preference of customers may change with time, situation and place. Respondents have been asked to provide the reason if they ever have to switch to other brand.

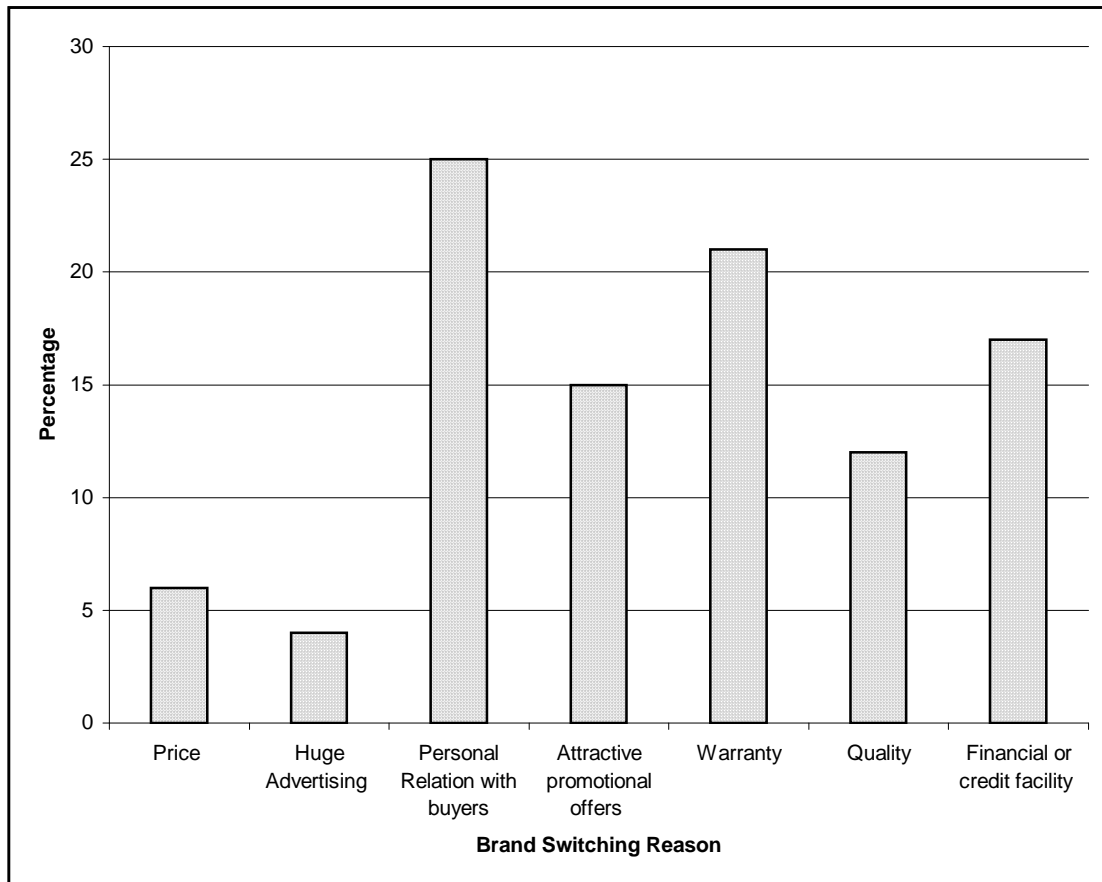
Table 17
Reason for Brand Switching

Reasons	Respondent (N0)	Percentage
Price	7	6
Huge Advertising	5	4
Personal Relation with buyers	30	25
Attractive promotional offers	18	15
Warranty	25	21
Quality	15	12
Financial or credit facility	20	17
Total	120	100

Source: Field Survey, 2011.

The above table indicate that the 6 percent of the respondents switch to other brand due to the price. Due to advertisement 4 percent respondents change their brand. The major factor for brand switching is personal relations of seller to buyers or seller influences i.e. 25 percent of total respondents. Similarly attractive sales promotion tools helps to switching the brand is 15 percent, 21 percent respondents are brand switch due to the long-term warranty facility. Only 12 percent respondents switch on the brand by impressing the quality of the product. Rest 17 percent respondents are switching the brand due to the financing or credit facilities provided by company or dealers.

Figure 3
Reason for Brand Switching



4.2.13 Ranking the Sales Promotional Tools on the Basis of Importance

Respondent have been asked to rank the different sales promotional tools, “what influences their buying decision of consumer product?”. Here, the first rank signifies the highly valued, similarly second, third and fourth..... signifies the continuously less valued tools.

Ranking of the tools, which plays the important role for design the sales promotional activities and measuring its effectiveness.

Table 18
Ranking of Consumer Promotion Tools

Sales Promotion tools	Frequencies	Percentage	Ranking
Coupons Scratch	7	5.83	7.5 th
Samples	0	0	14.5 th
Cash refund offer	8	6.67	6 th
Price pack	1	.83	13 th
Premium	3	2.5	12 th
Gift/Price	12	10.5	4 th
Warranties	14	11.67	3 th
PoP display	10	8.33	5 th
Demonstration	7	5.83	7.5 th
Credit facility/financing	25	20.83	1 th
Price-off/discount	18	15.0	2 th
Allowances	0	0	14.5 th
Contest	5	4.16	10 th
Rebate	4	3.33	11 th
Trips	6	5	9 th
Total	120	100	

Source: Field Survey, 2011.

The table above showed the promotional tools along with the ranking. The ranks has been taken on the basis of priority, which are collected from questionnaire distributed.

Among the different promotional tools the credit financing facility occupies the 1st rank with 20.83 percentage. The next followed by price-off/discount with 25 percent. similarly warranties, gift, price-of population display stands on 3rd, 4th and 5th ranks .

The cash refund offer stands on 6th rank with percentage covering 6.67, Coupon Scratch and demonstration cover equal percent as promotional tools which is 5.83 percent with 7.5th rank. Trips cover 5 percent with 9th rank. The 10th, 11th and 12th ranks are taken by Contest, Rebate and Premium. Samples and allowances almost do not occupy any space as promotional tools.

It can be conclude that financing facility (0% financing) is the most effective tools for the promotion. Now a day it becomes part of sales. Warranties, coupon, Gift, price Discount are the less important tools respectively.

4.3 Dealer Survey Analysis

Dealer survey deals with the survey done in the dealer, shops to knows the market situation, sales, expenditure records and sales promotion tools and techniques. For this purpose, the researcher conduct a survey with the questionnaire. This has been conducted with the collection of (Sale, expenditure, and promotion tools and technique) data from the market provided by the dealers. In this research, the researcher has tried to know about sales tools and technique and sales records of each brand.

In this survey, the researcher distributed 30 questionnaire to the distributors and covered all kind of dealers where electronic consumer product are sell .

4.3.1 Factor Effecting in Sales of Consumer Product

Table 19
Factor Affected in Sales

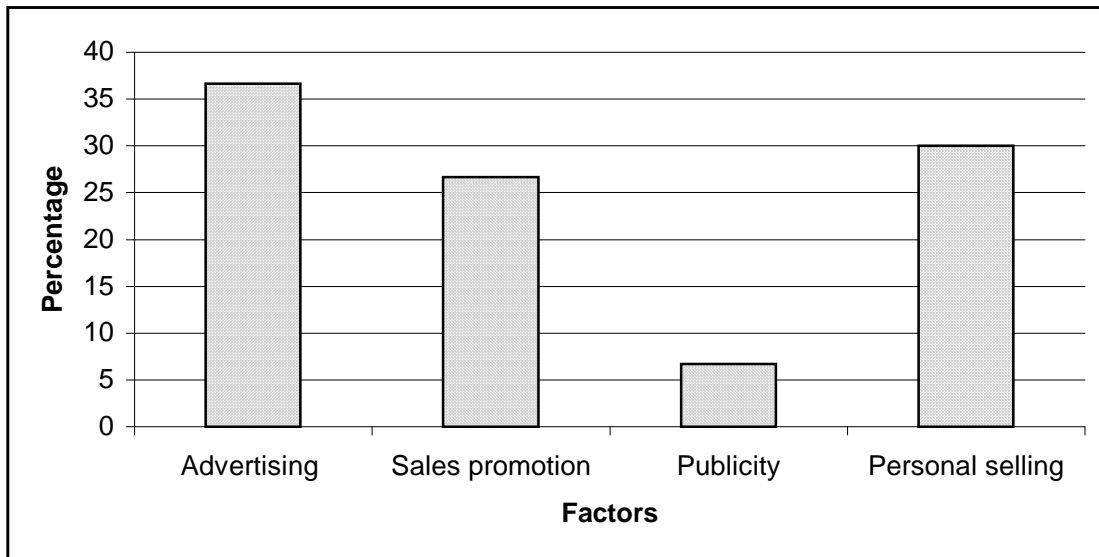
Factors	Respondent's No.	Percentage
Advertising	11	36
Sales promotion	8	27
Publicity	2	7
Personal selling	9	30
Total	30	100

Source: Field Survey, 2011.

Out of total respondent 37 percent of the respondent choose advertising as the effective promotion tools , 27 percent of the respondent preferred sales promotion as a effective tools where as 7 percent and 30 percent of the sales effectiveness is covered by publicity and personal selling of the respondent survey.

It conclude that advertising is the most important factor in the sales of product. It aware the customers about the products and its attributes. Personal selling and sales promotions also plays the significant role in sales of products.

Figure 4
Factors Effect in the Sale of Consumer Product.



The above chart shows the percentage covered by different promotion factors which affect the sales of products. The X-axis shows different factors whereas Y-axis shows the percentage with the interval of 5 percentage.

4.3.2 Factors Contributes Behind Selling Particular Brand to the Consumers

Different factors contribute the sales of particular brand of products . Consumer's preferences on perception and attitude are different and similarly seller have different motives behind the sales of particular brand. So, the researcher has asked the very simple question to the sellers-“ Why do you sell particular brand of product ?”

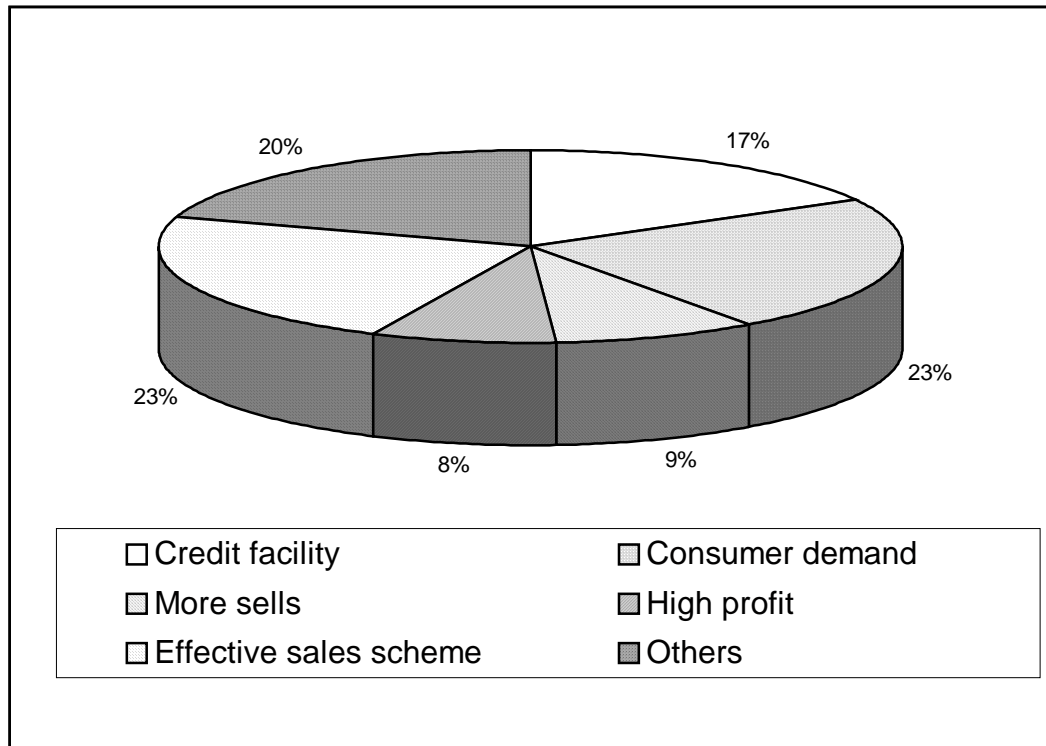
Table 20
Reason of Selling Particular Brand

Factors	No.	Percentage
Credit facility	5	17
Consumer demand	7	23
More sells	3	9
High profit	2	8
Effective sales scheme	7	23
Others	6	20
Total	6	100

The above table shows the percent of different factors that contributes the sales of particular brand of product. Effective sales scheme and consumer demand both stands as the higher reason for selling particular brand of product with 23 percent of respondent . Others reason for selling of particular brand cover 20 percent of consumer respondent. The credit facility covers the 3rd positions while 4th and 5th are taken by more sells and high profit covering 9 and 8 percent of consumer respondent respectively.

It is summarized that consumer demand and sales promotion scheme plays the significant roles in selling particular brand of production. Likewise financing facility and personal relations are also the more powerful element to sell the particular brand of products.

**Figure 5
Reason of Selling Particular Brand**



4.3.3 Preference of Trade Promotion Tools Scheme

To understand the preference of Trade Promotion Tools used by the dealers, the research tries to shows the response as follows.

**Table No. 21
Scheme Preference by Sellers**

Particulars	Respondents	Percentage
Cash discount	5	17
Rebate	1	3
Display	1	3
Financing facility	11	37
Commission	3	10
Allowances	0	0

Credit discount	4	13
Price discount	5	17
Total	300	

The above table tries to shows the elements or tools that are preferred by the dealer. The reference of sales scheme is highly affected by financing facility which covers 37 percent of respondent. The 2nd factors are price discount and cash discount covering equal ratio of 17 percent consumer respondents. The credit discount and commission stands on the 3rd and 4th position while rebate and display occupies equal ratio which covers 3 percent of respondent and covered the 5th position.

Due to competition, dealers wants to earn more profit by selling large unit of product in low profit. So they prefer financial facility as well as other offers like preferred discount, commission, credit etc.

4.3.4 Consumer Priority Given to Sales Promotion Scheme

Table 22

Sales Promotion Scheme Priority

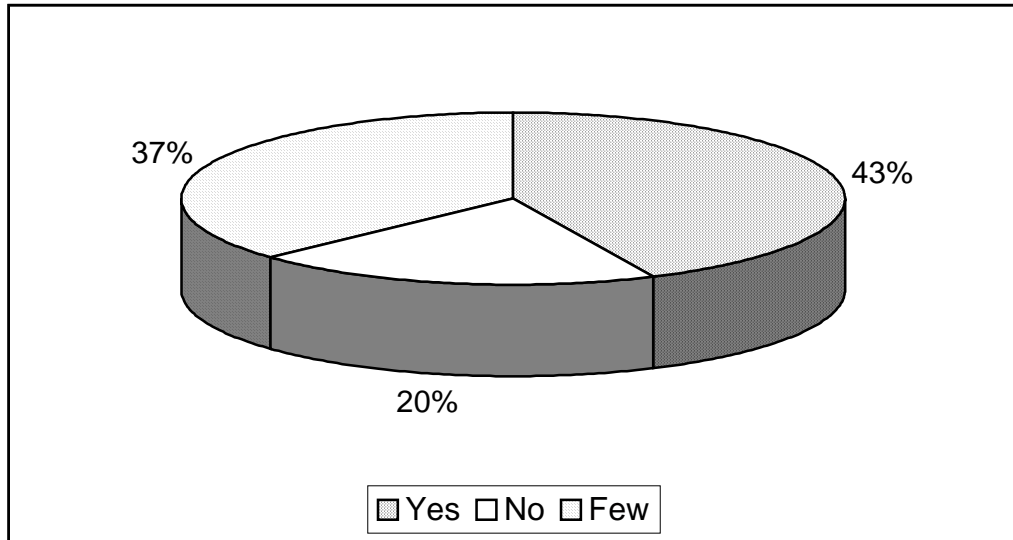
Particular	No	Percentage
Yes	13	43
No	6	20
Few	11	37
Total	30	100

Source: Field Survey, 2011.

The above table shows the opinion of dealers on sales promotion priority scheme. The data reveals whether the consumer gives priority on sales promotion tools or not.

It is found that 43 percent of respondent give priority for sales promotion tools, 37 percent of the respondent give less priority while 20 percent of the respondent stands against priority of sales promotion scheme. The data of respondent is also shown in pie-chart.

Figure 6
Scheme Priority



4.3.5 Sales Promotion Scheme and their Important

Table 23

Sales Promotion Scheme Priorities

Particulars	No.	Percentage
Coupon scratch	3	10
Discount	5	17
Warranty	7	23
Financing facility	10	33
Others	5	17
Total	30	100

Source: Field Survey, 2011.

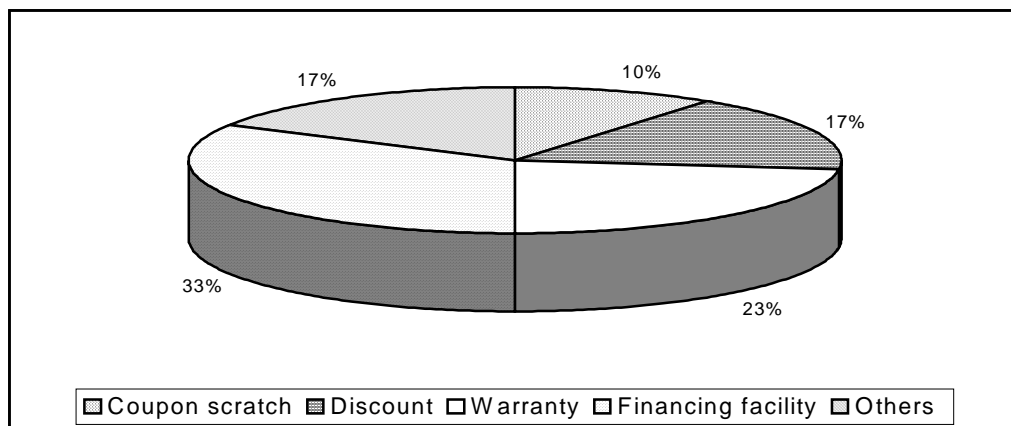
The above table indicates the sales promotional tools priority of consumers in the views of dealers.

Among the different tools, financial facility is best tools of consumer promotion because due to the credit facility many people initiate to purchase the product. It holds 33 percent of respondent occupying the 1st rank. Warranty stands on 2nd rank with 23percent of consumer respond. Discount and other scheme covers 17 percent of consumer response ranking 3rd among the different Schemes. The least percent is occupied by coupon scratch covering 10 percent of consumer respondent .

It can be concluded that, credit facility, warranty, discount and coupons occupies their rank respectively.

Figure 7

Sales Promotion Scheme Priorities



4.3.6 Rank of Seller Preference in Sales Scheme

Table 24

Distributors Preferences Scheme Schedule

Particular	Frequencies	Rank	Percentage
Free goods	1	9.0 th	3
Allowances	2	7.5 th	7
Price-Off	4	3.5 th	13
Sales contest	3	5.5 th	10
Premium	5	2 th	17
Financing facility	6	1 th	20
discount	4	3.5 th	13

Gift	3	5.5 th	10
Trip	2	7.5 th	7
Total	30		100

Source: Field Survey, 2011.

The above table shows the preference of sales scheme by the dealers which are offered by the companies.

Financing facility is a sales promotional tools but it becomes a parts of sales these days, which stands on the first rank or preference covering 20 percent respondents. The 2nd preference scheme is premium which holds 17 percent of respondent, price-off and discount stands on the 3.5th rank covering 13 percent of respondent. The 5.5th rank is covered by both sales contest and different types of gift. Trips or Journey and allowance holds 7.5th rank where as free goods schemes covered 3 percent of consumer respondent by standing on the 9th position.

The above figure clearly shows that “0%” financing facility scheme is the most preferable tools that enables to gain more profit through large sales.

4.3.7 Effectiveness of Sales Promotion Scheme

Table 25
Sales Promotion Scheme Effectiveness

Particular	No.	Percent
Cash refund	3	10
Coupons	4	13
Gift	6	20
Warranty	10	33
Pay off Discount	5	17

Others	2	7
Total	30	100

Source: Field Survey, 2011.

The above figure shows the effectiveness of sales promotion scheme which are influenced by the consumers. It describe the sales promotion tools that influences the consumers while buying the product.

Warranty plays the most important roles in buying the product, it holds 33 percent of the total respondents. Next influencing factor is price discounts which cover the 17 percent of consumer respondent where as gift item cover 20 percent of consumer respondent. Similarly cash refund ,coupons and other scheme occupy the consumer respond of 13 percent, 10 percent and 7 percent respectively.

It can be conclude that warranty is the most influence tools for the sales promotion. Similarly Gift, Coupons and Discount weight less priority respectively .

Hypothesis 6

Ho = There is relation between the sales promotion and sales of product

H1: There is not any relationship between the sales promotion and sales of production

The tabulated value of χ^2 at 5% level of significance for 5 d.f. is 11.07.

Since, the calculation value of χ^2 or χ^2_{cal} (=8.0) is greater than the tabulated value of χ^2 or χ^2_{tab} (=11.07) at 5% level of significance for 3 degree of

freedom. So null hypothesis is rejected and alternative hypothesis is accepted (Appendix VII).

Hence we conclude that there is significant evidence of relation between media selection and consumer buying habit.

4.3.8 Selection of Media to Announce the Offers

Table 26
Media Selection to Announce Offers

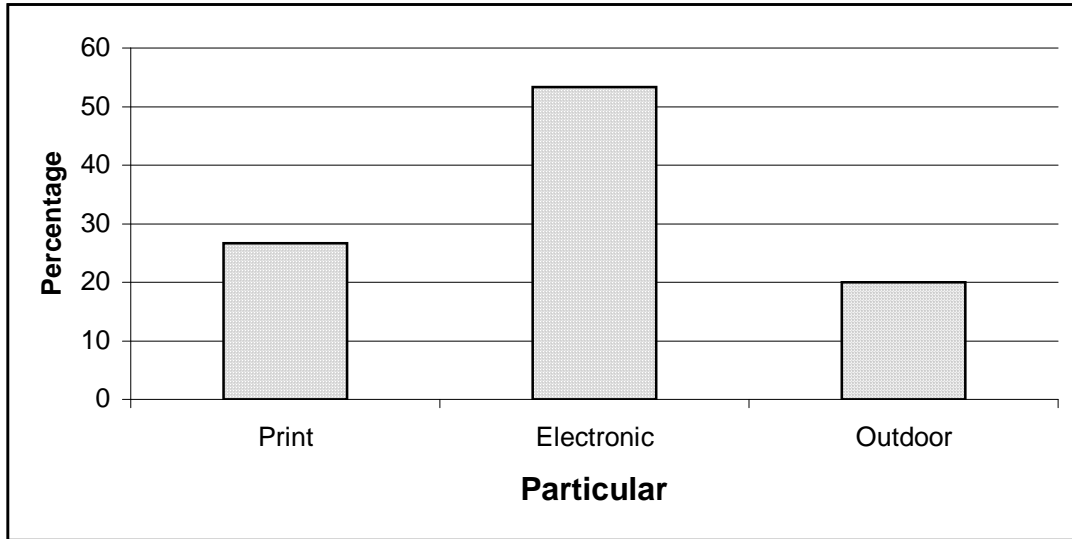
Particular	No	Percentage
Print	10	33
Electronic	14	47
Outdoor advertising	6	20
Total	30	100

Source: Field Survey, 2011.

The above table shows the selection of media to announce the offer according to the sellers opinion.

Out of total respondents, 33 percent believes in print media where as 47 percent of respondent choose the electronic media to announce the offers. Remaining 20 percent respondent prefer outdoor advertising media. Total scenario shows that electronic media is most suitable to announce the sales promotion offers. So it is necessary to have right time a suitable content of advertisement for the effective sales promotion for the product.

Figure 8
Importance of Media to Announce the Offers



4.4 Analysis of Sales Promotion Tools

Sales promotion tools are directed towards the consumers, sellers or channel members and sales force of the company. Therefore, there are three types sales promotion namely consumer promotion, trade promotion and sales force promotion. For each target group usually separate sales promotion tools are offered.

Consumer promotion tools are always directed towards motivating the target customer. Trade promotion tool is also known as dealer promotion tool which is directed towards motivating the marketing intermediaries. Where as sales force promotion tools are directed towards motivating the organizational sales personnels or force.

Table 27
Sales Promotions Tools

Consumer Promotion		Dealer Promotion	Sales force Promotion	Business promotion
Coupons	Samples	Free goods	Sales Contest	Conventions
Rebates	Cash-Refund offer	Allowance	Gift items	Trade Shows
Premium	Price packs	Price-off	Promotional Kits	Contests
Price off	patronage rewards	Sales contest	Bonus	Sweepstakes
Price	Free-trails	Gift items	Commission	Games
Contest	Tie-Ins	Credit facilities		
Display		Trade shows		Exhibitions
Demonstration				Trade Fare
Warranties				Program sponsore
PoP Display				

Coupons, Prize, Price Off, Price Discount, warranty, Cash-Refund Offers, PoP display etc indicates the consumer promotional tools that are used by company. Price-off, gift, sample, cash refund offer, price packs, patronage rewards, free trails and Tie-ins are also the effective consumer promotion tools but these tools are not used by both Sony and Philips company.

Again free goods , allowances, price-off, sales contest, gift items , credit facilities and trade shows are also the important sales promotion tools used for dealer promotion.

Apart from these, business promotion tools is the another sales promotion tools which enables to promote the sales of product. Exhibition, Trade fare, conventions, Trade shows, sweepstakes and program sponsored are the business promotion tools which are used by both Sony and Philips company. Similarly sales contest, Gift, Bonus, Commission are offered for sales force promotion.

It can be conclude that consumer promotion plays the vital role in sales promotion. The role of dealer promotion and sales force promotion is also very important in sales promotion Among the various consumer promotion, price discount, financing facility, warranties and gift (Watch, T-shirt, Cap etc) has highly influences consumer to purchase the goods. So both companies are suggested to design the strategies on behalf of consumer to achieve the target market share.

4.5 Analysis of Sales Data

Sales data of consumer product (Sony and Philips Company only) has taken from the distributors or dealer which are located in Katmandu valley. In this part, the researcher has tries to present and evaluate the data of sales and sales promotion expenses used by both companies to promote their product. The sales and expenses data represent the all brand of the both companies. Sony brand include T.V. Fridge, Micro oven, Music system, vacuum cleaner, computer, washing marching mobile etc. Likewise Philips brand includes T.V. Refrigerator, washing machine, vacuum cleaner, micro oven and music system .Mobile computer are not included in this analysis.

The collected data has been presented in table, bar diagram, pie chart. Graph and Bar diagram for the simplicity and easy to understand the actual picture. The researcher used only the previous five year's data.

4.5.1 Sales and Expenses Data of Sony and Philips Brand

Table 28

Sales and Expenses Data of Sony

Particular	Years				
	2005/06	2006/07	2007/008	2008/09	2009/10
Total Promotion expenses	1.8 crore	2.4 crore	2.7 crore	3.6 crore	6.0 crore
Total sales expenses (in crore)	30 crore	40 crore	45 crore	60 crore	100 crore
Sales volume	15 000	20000	22.500	30000	50000

Source: Field Survey, 2011.

Table 29

Sales and Expenses Data of Philips

Particular	Years				
	2005/06	2006/07	2007/008	2008/09	2009/10
Total Sales (Rs.)	22 crore	28 crore	35 crore	50 crore	70 crore
Promotion Expenses (Rs)	1.65 crore	2.1 crore	2.625 crore	3.75 crore	5.25 crore
Sales volume (Unit)	11000	14000	17500	25000	35000

Source: Field Survey, 2011.

4.5.2 Correlation Analysis of the Data

Correlation defined the degree of linear relationship existing between two or more variables. Two variables are to be correlated when the change in the value of one variable is accompanied by the change of another variables. So correlation is a statistical device designed to measure the degree of association between two or more variables.

The coefficient of correlation between sales and sales promotion expenses in Sony and Philips brand both seems 1.0. It indicates the perfect positive correlation between two variables. This correlation shows that the relation between sales and sales promotion expenses i.e. sales are increase in the ratio of expenses.

4.5.3 Regression Analysis

Regression analysis is a mathematical measure of the average relationship between the two or more variables in terms of the original units of the data. Thus it can be said that regression is the estimation or prediction of one variables from the given of other variable's value. It is the cause and effect relationship between the variables.

Here, in our calculation, we denote X as the expenses of sales promotion and y as the sales per unit. The data has been taken from previous period of sales promotion. The regression equation of y (sales) on x (sales promotion expenses) would be used to describe the variation in the value of y for given change in the value of x .

The above data of sales and expenses is fit in the linear model of regression and correlation analysis .

Philips Brand

Regression analysis - Linear model: $Y = a + bx$

Dependent variables : Sales

independent variable: Sales promotion expenses.

Parameter	Estimate	Standard Error	T-Statistic	P-Value
Intercept	0.0	0.0		
Slope	6.66667	0.0		

Analysis of Variance

Source	Sum of square	D.F.	mean square	F. Ratio	D. Value
Model	372.0	1	372.0		
Residual	0.0	3	0.0		
Total (corr)	372.0	4			

Correlation coefficient = 1.0

R - squared = 100.0 percent

R - Squared (adjusted for d.f) = 100.0 percent

Standard Error of Estimate =

0.0

Mean absolute Error = 0.0

Durbin - Watson statistic = 0.461538 (P = 0.0001)

Lag 1 residual autocorrelation = 0.615385

Result:

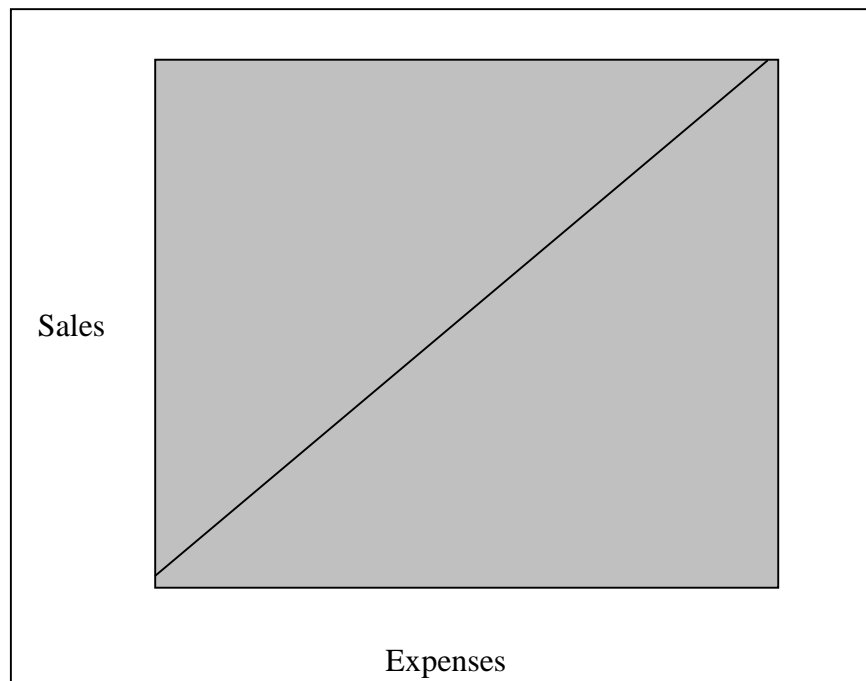
The output shows the results of fitting a linear model to describe the relationship between sales and expenses. The equation of the fitted model is

$$\text{Sale} = -3.55271 \text{ E} - 15 + 6.6667 \mid \text{Expenses}$$

The R - Squared statistic indicates that the model as fitted explains 100.0% of the variability in sales. The correlation coefficient equals 1.0 indicating a relatively strong relationship between the variables .

The mean absolute Error (MAE) of 2.4869E - 15 is the average value of the residuals. The Durbin-Watson (DW) statistic tests the residuals to determine if there is any significant correlation based on the order in which they occur in your data file. Since the P - value is less than 0.05, there is an indication of possible serial correlation. plot the residuals versus row order to see if there is any pattern which can be seen.

Figure 9
Plot the Fitted Models of Regression



Sony Brand

Regression analysis - Linear model: $Y = a + bx$

Dependent variables : sales

Independent variable: Sales promotion express

Parameter	Estimate	Standard error	Statistic	P-Value
Intercept	0.0	0.0		
Slop	8.33333	0.0		

Analysis of Variance

Source	Sum of square	D.F.	mean square	F. Ratio	D. Value
Model	750.0	1	372.0		
Residual	0.0	3	0.0		
Total (corr)	750	4			

Correlation coefficient = 1.0

R - squared = 100.0 percent

R - Squared (adjusted for d.f.) = 100.0 percent

Standard Error of Est. = 0.0

Mean absolute Error = 0.0

Durbin-watson statistic = 0.393939 (P = 0.0001)

Lag 1 residual autocorrelation = 0.666667

Interpretation

The output shows the results of fitting a linear model to describe the relationship between sales and expenses. The equation of the fitted model is

$$\text{Sales} = 7.10543\text{E} - 15 \mid 8.33333 \mid \text{Expenses}$$

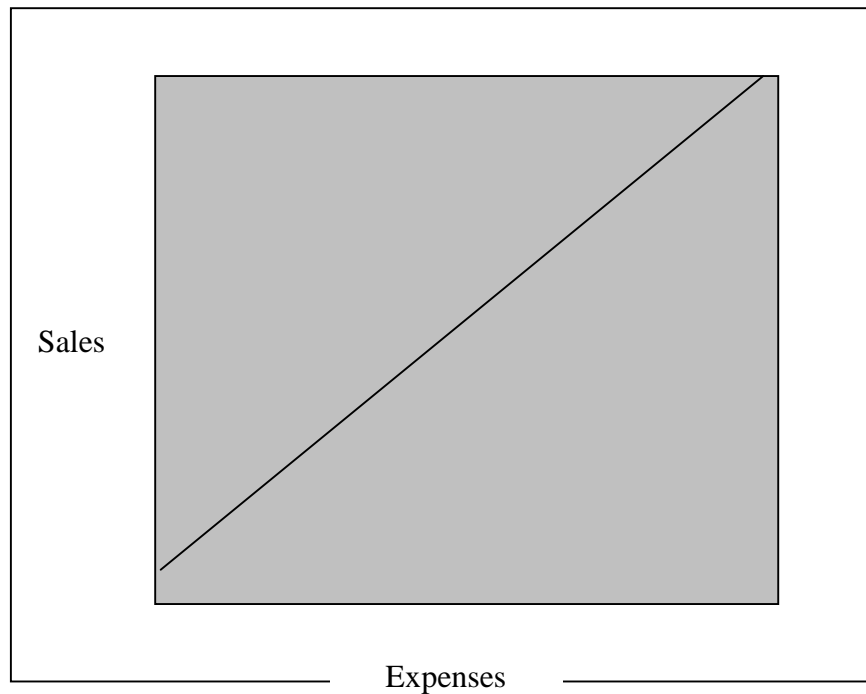
The R-Square statistic indicates that the model as fitted explains 100.0 percent of the variability in sales. The correlation coefficient equals 1.0, indicating a relatively strong relationship between the variables.

The mean absolute error (MAE) of 3.90799 E - 15 is the average value of the residuals. The Durbin-Watson (DW) statistic tests the residuals to determine if there is any significant correlation based on the order in which they occur in your data file. Since the p-value is less than 0.05, there is an indication of possible serial correlation. Plot the residuals versus raw order to see if there is any pattern which can be seen.

(by using statograph program)

Figure 10

Plot the Fitted Models of Regression



4.5.4 Trend Analysis in Forecasting

Trend analysis described the process of projecting past trend and seasonal variation into the future, while taking into consideration the inherent inaccuracies of this analysis, it also noted that the irregular and cyclical components effect the future, they are erratic and difficult to use in forecasting. It is subject to considerable error and change. Trend is necessary to combine these simple procedures with knowledge of other factors in other to develop.

The analysis of forecasting shows the future expected sales. If the company wants more sales in future, needs to continue their promotion activities. Both companies growth trend are increasing in order. Other things are remaining the same, it is better to spends money in sales promotion if the company wants to achieve the goals but they must avoid over smartness in designing the sales promotion activities (Appendix VIII).

CHAPTER FIVE

SUMMARY, CONCLUSION, FINDINGS AND RECOMMENDATION

5.1 Summary

In marketing, an important function of management has become challenge to every marketing professional. Creative ideas are coming up at a fast pace. The style of sales promotion is not the same as before. Sales promotion and advertising still hold a dominant position in the promotion mix. This dominant may not continue if they cannot meet the challenge of the future.

Sales promotion is a short term direct inducement or incentive to the sales force, distributors or the consumers with the primary objectives of creating immediate sales. The sales promotion are offer on different forms. It depends on time, situation and place. An effective marketers offers both creative and attractive scheme.

Advertising, publicity, personal selling etc. became usual that the consumer hardly get existed by these technique. In the meantime. Sales promotion came as a panacea for the manufacturer as the number of brands increase in the market. Other promotional tools create more noise. The rewarding offers, made through sales promotion method prove to be more attractive to consumers. As a result, sales promotion has received greater attention and efforts of the sales force the encourage, sales to stock product and to persuade consumers to try the product.

In Nepal the increasing importance of sales promotion in marketing as compared to media advertising over the past fifteen years, is the result of success achieved thoroughly sales promotion. The reason behind this has

been the challenge of competition faced by business and industry during the latter part of this century. Sales promotion refers to the use of different promotion tools to stimulate or to create immediate sales.

Goldstar Electronics Sony company and Philips company both are company which have been produce or assembled Sony and Philips brand of consumer products. Television, Refrigerator, Mobile, Vacuum cleaner, Air-condition, computer, micro over etc are main product line of Sony and Philips brand. The most leading product of both brand is Television. Fifty percent of the sales are covered by the Television. In the modern era, there is tough competition between two brand because they leads the huge market shave. To capture boarder market, both company uses different promotional activities. In this contest only advertising cannot capture the whole parts and target market. Nowadays both companies use aggressive sales promotion strategies to win market share. Both companies are applying different types of tools and technique to promote their brands. The main objective of using sales promotion tools and technique is to capture the market, attract new user, encourage for repeat purchase, increase immediate sales. Other objectives of sales promotions are to develop purchase habit of new users, to encourage the dealer for more sale and to please the sales forces by giving attractive bonus and commission. Similarly, to attract the weak competitor's market and boost up their own sales in short period, the company mostly used for sales promotion tools. Sony and Philips company in Nepal are primarily using the tools like, coupons scratch, discount, prize or gift, warranties, financing facilities, sales context, Trips etc. And they somehow is able to achieve the objectives of sales promotion.

Consumer promotion, dealer promotion and sales force promotion are major parts of sales promotion. These program has been directed to different groups, at different seasons. Consumer promotion consist of samples, coupons, rebate, premium, gift, price-off, patronage, rewards contest, PoP display, demonstration, warranties, Ties-Ins and Discount. Among them consumer promotion tools warranties, PoP display coupons, discount, gift, demonstration and trips are being mainly used by Sony and Philips company.

Similarly, for dealer promotion Sony and Philips both provides credit facility, financing facilities, price-off, contest, trips, allowances, and other extra facilities. These tools are uses according to the company strategies, rules, seasons, situation. These tools stimulates the dealer for more sells in a specific season or target time period.

Business promotion tools consist around the convention trade shows, contest, sweepstake, and games. These above tools are used by the companies themselves. These programs are organized in different seasons and festivals. Industry associations organize annual conventions and typical Sponsor for trade show at the same time. Contest, sweepstake and games are important tools for sales promotion. These devices give consumer, business customer, dealer, or sales forces the chance to win something such as cash, trips or goods as a result of luck or extra efforts. In a sales context involving dealer or sales force, to induce them to redouble their sales efforts over a stated period, with prize going to the top performance.

Sales force promotion is the another important sales promotion tools which concern about the sales personal of the organization to increase their extra

efforts by providing different Bonus, commissions and Gifts. Allowances, Bonus, prize, gift, commissions, promotional kits are the major tools for sales force promotion. Among them mainly commission. Bonus and Gift are provided by Sony and Philips Company.

Above these tools, Sony and Philips both company mostly concern about the consumer promotion. They always uses the tools and technique accordingly the market or competitors and seasons. All years are divided in terms of seasons like, Festival, Marriage, New Year, etc. They introduce different tools concerning the time. Companies are mainly concern about the consume promotion in sales promotion.

Sony and Philips both companies are uses different media to announce their sales promotion offers or scheme. According to their target they uses print media, Electronic media and outdoor advertising. Among these media electronic media is most effective for sales promotion but print media is wide coverage and outdoor is directed to those who are illiterate or for all to persuade.

In conclusion, sales promotion covers a wide variety of short term incentive tools designed to stimulate the consumer dealer and organizations. Consumer promotion tools include warranties, pop display, coupons, free goods, trail purchase, premium, prize, demonstration. Trade promotion tools include price-off display allowances, push money, credit facility, financing etc. sales forces promotion include, Bonus, commission, promotional kits etc. and business promotion include trade shows, games, conventions etc. Sales promotion expenditure now exceed advertising expenditure and are growing at faster rate.

Sony and Philips companies are using four methods to measure sales promotion effectiveness. Sales performance movement, sales data, (before, during and past) sales promotion, consumer survey and experimental studies and the main method to major their effectiveness. If sales promotion will continue, it plays growing role in total promotion mix and became a backbone of sales management.

5.2 Conclusion

On the basis of analysis of primary as well as secondary data, the conclusion are as follows:

- * Sales promotion refers to short-term incentives to stimulate demand. It is used to create a strong and quicker purchase response. It can be direct at consumers, middleman and sales personal. It provides supplements to advertising and facilitate personal selling.
- * The popularity of sales promotion has increased over last 20 years. It is highly used by consumer product, manufacturer companies especially noodles, shop, tea, soft drink and electrical home appliances. But the government regulations prohibited sales promotion for Cigarette, Beer and other liquor, alcohols product.
- * Sales promotion in Nepal is generally consumer oriented. But the objective of such promotion is to increase sales rather than attract new customers or launch new products. Objectives of trade promotion are off season sales and increase resellers inventories sales force promotion has remained very much neglected.
- * Sales promotion programs are not properly developed and implemented. Most of the tools are repeated year after year. Creativity is lacking. Similar tools and program are launched by every company.

Imitation is very high. Basically, Coupon, Discount, Displays, gift/prize are used by both Sony and Philips as well as other consumer items producers. Innovative schemes are rare. Many sales promotion programs last for longer period.

- * Sales promotion programs are divided into four parts. Among them consumer promotion has very much popular in the customers. In consumer promotion, coupons, premium, gifts, Price off, contests and prize are most popular methods. Free samples Rebates, Tie-ins, patronage are not popular and less used tools of consumer promotion. Free goods, price off, allowances rewards and contest are popular tools. Bonus, commission, contest and gift are most effective sales force promotion tools which are used bath company. Beside this, exhibition, fair, trade shows, festival tools, programme sponsored are regularly used business promotion tools. These companies are providing training timely to sales forces and dealer members. Different types of consumer awareness programs are arranging to the consumers.
- * The main reasons for sales promotion is to encourage the consumer for purchase the product, more sales and becoming a brand loyal.
- * The sales promotion activities have positive impact on sales of Sony and Philips. From the regression analysis. It has found that if sizeable amount is increase on sales promotion activities, the sales volume would be increase. Similarly correlation shows the positive relation.
- * Electronic media is most popular among the people. So for the sales promotion, Electric media is suitable rather than other. The content of advertising copy should be effective.

- * The sales promotion is very powerful tools after advertising which can easily boosts the sales. However, the study clearly shows that the sale of Sony covers the largest market shares. Whereas Philips holds the second position. Due to the quality, warranty and company good will, Sony brand become market leader.

4.3 Findings

The present study aims to analyze the sales promotional tools impact on Sony and Philips brand. The analysis of this research is based on two parts. In the first parts, the researcher tries to analysis the impact of sales promotions tools and technique on the ultimate consumer, dealer or distributors In the second parts, the researcher analyzed the effect of sales promotion on the basis of sales and expenditure .

On the basis of analysis of primary as well as secondary data, the major findings are as follows:

- * Consumers are aware about sales promotion activities. Most of customer know about the consumer promotion tools. Some of costumer know about the dealer promotion as well as the sales force promotion. Among various sales promotion, consumer promotion is very effective than other promotion tools.
- * Sales promotion strategies of Sony and Philips design according to seasonal festival or time period. Philips company designed sales promotion by seasonal where as Sony company design accordingly to festivals. Apart from this, both companies designed sales promotion tools at different occasion like World up, Christmas, and so on.
- * Philips divided the whole years into four seasons. Sharwan, Bhadra, Aswin -1st season, Kartik, Mansir, Paush -2nd seasons, Margh Falgun Chitra, 3rd Season and Baishak, Jestha, Ashar-4th season. Whereas

Sony company design Baishak, Jestha Ashar Shrawan as New year Seasons, Bhadra Aswin, Kartick Mansir as Festival seasons, Poush, Magh, Falgun and Chaitra as Marriage season. According to this season both companies uses the different sales promotion tools to boost up their sales.

- * Sales promotion strategies are short-term in nature. So the company uses the aggressive sales promotion tools to increase their sales in a short term or specific time period.
- * Among the different sales promotion tools, the company emphasize consumer promotion. Out of total sales promotion , more than fifty percent spent on consumer promotion and then dealer promotion and sales force promotion respectively.
- * There is perfect positive relation between the sales and sales promotion. if the sales promotion expenditures increases, the sales of product will increase automatically.
- * Electronic media (specially, T.V. Radio, F.M) are very popular among the respondents.. Apart from this, print media is comparatively less important but in some cases it is more popular than electronic media. Outdoor advertising is popular among those who have no time for watching televisions are reading newspaper etc. It is useful for all level, categories and professions customers.
- * Sony holds the 1st position in (approximately forty percent) market share while Philips holds the 2nd position in the market share. It indicates that Sony brand becomes the leading brand in the market,.
- * In the present market, 0% interest financing tools becoming very popular among the consumer. Both companies cover more than 10 percent sales by the 0% financing.

- * Coupons, Cash refund offers, Prize, Gift, warranties, PoP displays demonstration, Lucky draw, price discount, price off 0% interest financing, are the major consumer promotion tools which used by both Sony and Philips. Similarly Price off, credit facility, cash discount, price-off, Allowances, Trips, Sales contest etc are the dealer promotion tools and Bonus, Commission, gift items, are the major sales force promotion tools which are used by both company. Beside this Exhibition, Fair, Trade shows, Festivals, Program sponsored, Tournaments, Trainings, Consumer awareness program and Trainings for Dealer, and Sales force, are the other sales promotions tools used by both companies.
- * If the expenses of the sales promotion increases, the sales of product also increased automatically .On the other hand, there is positive correlation between the sales promotion expenses and sales of the product. This relations shows the impact of the sales promotion tools on sales.

5.4 Recommendations

On the basis of findings of the present study, the following recommendations are made:

1. The sales promotion have perfect positive impact on the sales of Sony and Philips brand. So the company should spend a large amount of effective sales promotion tools. Such as credit facility, discount, gift, coupons etc.

2. The company should identify the new sales promotion tools (Such as Finance, luck draw, trips etc.) which are compelled to change their brand and attract the new users.
3. The company should give more emphasis on financing facilities. It enables to purchase goods for low income level consumers too.
4. Through the increase in the sales promotion there has been positive impact on sales of consumer product. So the company should selection of the mode of sales promotion. The expenses should be made wisely, in the selection of period to launch the seasonal sales promotion expenses etc.
5. The electronic media is very popular. T.V. FM, Radio, should be used for electronic advertising. The advertisement should be more entertaining and informative.
6. The promotion program should be integrated. To announce the sales promotion program media should focus to their target, coverage, and effectiveness.
7. To achieve the goal of sales promotion, the company must concentrate in consumer as well as dealer promotion. For this purpose, discount, credit facility, gift, and other attracting tools should be designed and implemented for consumer. Dealer also plays the vital role in selling a particular brand of product. So extra benefits should be given to encourage the sale.

If the suggestions are to be followed properly by the industries, the positive impact on sales as well as on the image of the companies and attitude towards the brands would be positive.

At last, but not least, sales promotion covers a wide range of short term incentive tools designed to stimulate the consumer market, the channel member, and the organizational personnel. Sales promotion expenditures now exceed advertising expenditures and are growing at a faster rate. So as in Nepal too the use of this marketing techniques is increasing highly. The use of sales promotion is very important if it is used in a systematic manner. Thus sales promotion is an offers of different tactical promotional tools to stimulate or to create an immediate sales .

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Appendix 1

Particular	'O'	E	(O-E)	(O-E) ²	(O-E) ² /E
Sony	60	40	20	400	20
Philips	40	40	0	0	0
Other	20	40	-20	400	20
Total	120	-	-	-	40

$$\text{Text Statistics} = \sum \frac{(O - E)^2}{E} = 40$$

$$\text{Degree of freedom (n-1)} = 3 - 1 = 2$$

$$\text{Level of significance } (\alpha) = 5\% = 0.05$$

The tabulated value of χ^2 at 5% level of significance for 2 d.f. is 5.99.

Appendix 2

Particular	Observed	'E'	(O-E)	(O-E) ²	$\frac{(O - E)^2}{E}$
Quality of Product	48	24	24	576	24
Effective Sales Schere	12	24	-12	144	6
Advertising	15	24	-9	81	3.375
Seller Influence	22	24	-2	4	0.167
Family Recommendation	23	24	-1	1	0.0416
Total	120				33.58

$$\text{Test of Statistics} = \sum \frac{(O - E)^2}{E} = 33.58$$

$$\text{Degree of Freedom} = (d.f) = (n-1) = (5-1)=4$$

$$\text{Level of significance } (\alpha) = 5\% = 0.05.$$

Appendix- 3

Particulars	Observed	Expected	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
Coupons	7	20	-13	169	8.45
Discount	50	20	30	900	45.0
Contest	8	20	-12	144	7.2
Premium/Gift	16	20	-4	16	0.8
0% financing	34	20	14	196	9.8
others	5	20	-15	225	11.25
Total	120				82.5

$$\text{Test of Statistics} = \phi \frac{(O-E)^2}{E} \times 82.5$$

$$\text{Degree of Freedom} = (d.f) = (n-1) = 6-1 = 5$$

$$\text{Level of significance } (\alpha) = 5\% = 0.05.$$

Appendix 4

Particular	'O'	'E'	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
Print	7	7.5	-0.5	.25	0.0333
Electronic	15	7.5	7.5	56.25	7.5
Outdoors	6	7.5	-1.5	2.25	0.3
Other	2	7.5	-5.5	30.25	4.03
Total	30	7.5			$\phi \frac{(O-E)^2}{E} = 11.8633$

$$\text{Test statistic} = \chi^2 = \phi \frac{(O-E)^2}{E} = 11.8633$$

$$\text{Degree of Freedom } (n-1) = 4-1 = 3$$

$$\text{Level of significance } (\alpha) = 5\% = 0.05$$

Appendix 5

Particular	'O'	'E'	(O-E)	(O-E) ²	$\frac{(OZE)^2}{E}$
Cash refund	3	5	-2	4	0.8
Coupons	4	5	-1	1	.2
Gift	6	5	1	1	.2
Warranties	10	5	5	25	5
Pay off Discount	5	5	0	0	0
Others	2	5	-3	9	1.8
	30				8.0

$$\text{Test statistic} = \mathfrak{K} = \phi \frac{(OZE)^2}{E} = 8.0$$

$$\text{Degree of Freedom (n-1)} = 6-1 = 5$$

$$\text{Level of significance } (\mathfrak{S}) = 5\% = 0.05$$

Appendix 6

Particular	'O'	'E'	(O-E)	(O-E) ²	$\frac{(OZE)^2}{E}$
Effective sales scheme	18	14.14	0.86	.7396	.00431
Advertising	17	14.14	-.14	0.0196	.001
Warranty	28	14.14	10.86	11.8	6.88
Credit Facility	10	14.14	-7.14	50.98	2.97
Other recommendation	11	14.14	-6.14	37.70	2.19
Quality	32	14.14	14.86	220.82	12.88
Others	4	14.14	-13.14	172.65	10.07
Total	120				34.9982

$$\text{Test statistic} = \mathfrak{K} = \phi \frac{(OZE)^2}{E}$$

$$= 34.9982$$

$$\text{Degree of Freedom (n-1)} = 7-1 = 6$$

$$\text{Level of significance } (\mathfrak{S}) = 5\% = 0.05$$

Appendix 7

Sales Forecasting (Trend) Analysis: Philips Co:

Year (X)	Sales expenses (000) (Y)	T=X-2008	T ²	T _Y	Trend value Y _e = b ₀ + b ₁ t
2006	11	-2	4	-22	8.7
2007	14	-1	1	-14	14.6
2008	17.5	0	0	0	20.5
2009	25	1	1	25	26.5
2010	35	2	4	70	32.5
	y =102.5	t=0	t ² =10	ty=59	

Now, we have straight line trend equation

$$Y = b_0 + b_1 t \dots\dots\dots(1)$$

Where,

Y = The given value of the variables in time series

b₀ = Intercept of the trend line i.e. y = intercept

b₁ = slope of trend line

t=time variables

Since $\sum Y = 102.5$ $\sum t = 0$ $\sum t^2 = 10$ $\sum ty = 223$

$$b_0 = \frac{\sum Y}{n} - \frac{\sum tY}{\sum t^2} \times \frac{102.5}{5} - 20.5 \qquad b_1 = \frac{\sum tY}{\sum t^2} - \frac{59}{10} = 5.9$$

Now the best fit of straight line is obtain by substituting the value of b₀ and b₁ in equation 1. we get,

$$y_e = 20.5 + 5.9 t \dots\dots\dots (2)$$

Now, Calculation of trend values, substituting the value of 't' in equation (ii) we get the trend values,

n

$$\text{For } -2 = Y_e = 20.5 + 5.9 X (-2) = 8.7$$

$$-1 = Y_e = 20.5 + 5.9 X (-1) = 14.6$$

$$0 = Y_e = 20.5 + 5.9 X 0 = 20.5$$

$$1 = Y_e = 20.5 + 5.9 X 1 = 26.4$$

$$2 = Y_e = 20.5 + 5.9 X 2 = 32.5$$

Here, Y_e = denotes the estimated value of Y
sales forecaster for 2011 to 2014

For the year 2011, $t = 2011 - 2008 = 3$

2011, 2012, 2013 = 4,5,6 respectively

$$\text{For } 2006, t = 3 = Y_e = 20.5 + 5.9 X 4 = 38.5$$

$$4 = Y_e = 20.5 + 5.9 X 4 = 44.1$$

$$5 = Y_e = 20.5 + 5.9 X 5 = 50$$

$$6 = Y_e = 20.5 + 5.9 X 6 = 55.9$$

Hence the sales for 2011, 2012, 2013, 2014 will be 38500, 44100,
50,000 and 55900 units.

Appendix 8

Sales Forecasting (Trend) Analysis: Sony Brand

Year (X)	Sales expenses (000) (Y)	T=X-2008	T ²	T _Y	Trend Value Y _e = b ₀ + b ₁ t
2006	15	-2	4	-30	11.5
2007	20	-1	1	-20	19.5
2008	22.5	0	0	0	27.5
2009	30	1	1	30	35.5
2010	50	2	4	100	43.5
	y = 137.5	t = 0	t ² = 10	ty = 80	

Now, we have straight line trend equation

$$Y = b_0 + b_1 t \dots\dots\dots(1)$$

Where,

Y = The given value of the variables in time series

b₀ = Intercept of the trend line i.e. y = intercept

b₁ = slope of trend line

t=time variables

Now the best fit of straight line is obtain by substituting the value of b₀ and b₁ in equation 1. we get,

$$y_e = 27.5 + 8 t \dots\dots\dots (2)$$

Now, Calculation of trend values, substituting the value of 't' in equation (ii) we get the trend values,

$$\text{For } -2 = Y_e = 27.5 + 8 X (-2) = 11.5$$

$$-1 = Y_e = 27.5 + 8 X (-1) = 19.5$$

$$0 = Y_e = 27.5 + 8 X X 0 = 27.5$$

$$1 = Y_e = 27.5 + 8 X X 1 = 35.5$$

$$2 = Y_e = 27.5 + 8 X 2 = 43.5$$

Here, Y_e = denotes the estimated value of Y
sales forecaster for 2006 to 2010

For the year 2011, $t = 2011 - 2014 = 3$

2012, 2013, 2014 = 4,5,6 respectively

$$\text{For } 2006, t = 3 = Y_e = 27.5 + 8 X 3 = 51.5$$

$$4 = Y_e = 27.5 + 8 X 4 = 59.5$$

$$5 = Y_e = 27.5 + 8 X 5 = 67.5$$

$$6 = Y_e = 27.5 + 8 X 6 = 75.5$$

Hence the sales for 2011, 2012, 2013, 2014 will be 51500, 59500,
67500 and 75500 units.

Appendix 9
QUESTIONNAIRE FOR CONSUMER

Name:

Address:

Education:	Literate	Below Intermediate	Below Post Graduate	Above post Graduate
Income Level:	below 5000/m	10,000 below	15, 000 below	Over 15000
Age group:	Below 30	Below 40	Below 50	Above 50

1. How often do you buy electronic product ?
 - i. Increase in income level
 - ii. Heavy discount
 - iii. Need realization
 - iv. Others

2. Which one is the most favourite brand ?
 Sony [] Philips [] Other []

3. Which brand of (electronic) product do you usually buy ?
 Sony [] Philips [] Other []

4. Do you know about sales promotion offers ?
 Yes [] No []

5. Which type of sales promotions tools are you familiar with ?
 Consumer promotion [] Trade Promotion []
 Sales force promotion [] All of them []

6. Do you prefer particular brand of product ?
 Yes [] No [] Don't know []

7. Would you please give reason for buying particular brand of products ?

Sony	Price Discount	Quality	Cheaper	Adv	Others recommendation
Philips	Price Discount	Quality	Cheaper	Adv	Others recommendation
Others	Price Discount	Quality	Cheaper	Adv	Others recommendation

8. Which factors do you most consider in buying decision ?

Quality [] Price [] Offer/Discount []
 Adv. [] Family influence [] All of them []

9. Which companies sales promotional strategies do you prefer mostly ?

Sony [] Philips [] Other []

10. From which factors are you impressed in the buying process ?

Credit facilities [] Family Recommendation []
 Advertisement [] Sales Scheme [] All of them
 []

11. Do you change your brand by influencing others sales promotion offers ?

Yes [] No [] Some times [] Don't know []

12. Which types of sales promotion offers may led you for your buying decision ?

Coupons [] Discount [] Contest [] Premium/Gift [] All of
 them []

13. Which types of sales promotion tools are you motivated ? Please give your idea

.....

...

14. Which factors are to be consider while selecting your favourite brand?

Quality of product [] Effective sales Scheme [] Adv []

Personal Relation [] Family Recommendation [] Others []

15. Among the following, which factors do you emphasis mostly in buying decision ? please Rank them according to its effectiveness.(1, 2..)

Coupon [] Samples [] Cash refund offer []

Price pack [] Premium [] Prizes/Gift []

Warranties [] POP display []

Demonstration [] Credit facility [] Price-off/Discount []

Allowances [] Contest [] Rebate [] Trips

[]

(1 means higher rank)

16. What are the factor that contribute in brand choice ?

Effective sates scheme [] Advertising [] Warranty []

Credit facility [] Other recommendation [] Quality [] Others []

17. To what extent, sales promotion tool is suitable for brand choice and brand loyalty ?

Fully [] Partilly [] a bit [] Don't know [] No []

18. Which media is suitable to announces the sales promotional offers ?

Electronic [] Prints [] Hoarding board [] Outdoor []

All of them []

19. Do you have any suggestion for Sony Company's sales promotional offer ?

.....

...

20. Do you have any suggestion for Philips Company's sales promotional offer ?

.....

...

Questionnaire for Distributors

1. How long have you been running this business ?
Before 10 yrs [] Before 5 years [] Before 1 year [] Recently []
2. Which companies' product are you selling in your shop ?
Sony [] Philips [] Other [] All of them []
3. Which factors are mostly affected in sales of product ? Rank them
Advertising [] Sales Promotion [] Publicity [] Personal selling []
4. Which is the most effective product of Sony and Philips Brand ?

Sony	T.V	Fridge	AC	Mobile	Vaccum	W. M	Computer
Philips	T.V	Fridge	AC	Mobile	Vaccum	W. M	Computer

5. Which factor are contributes behind selling particular brand of product?
Credit facility [] Consumer demand [] More sells []
High profit [] Effectives sales scheme [] others []
6. Which brand of product are sold more easily in your shop ?
Sony [] Philips [] Other [] All of them []
7. What types of sales schemes are being offered by the companies ?
Tick them
Quantity discount [] Cash Discount [] Credit Facility []
Premium/gift [] Allowance [] Samples []
Coupons [] 0% interest financing [] Tie-ins []
Sales contest [] Rebates [] Trade stamp []
Games [] Demonstration [] Lotteries []

Entertainment [] Trip []

8. what types of scheme do you preferred ?

Cash discount [] Rebate [] Displays []

0%interest financing [] Commission [] Allowance[]

Credit Facility [] Price Discount []

11. Which types of promotional offers influence the customer ?

Advertising [] Sales promotion [] Publicity []

Personal selling [] Others []

12. Which companies' sales promotion strategy is good ?

Sony [] Philips Philips [] Others []

13. Do the consumer give the priority in sales promotion scheme ?

Yes [] No [] Few []

14. In which types of sales scheme do the consumer give importance ?

Coupon scratch [] Discount [] Warranty []

0% interest financing [] Others []

15. Do the sellers can play any role in selling the product of any brand ?

Yes [] No []

17. Which strategy is better for more sells ?

Advertisement[] Sales scheme[] Pricing[] Publicity []Others []

18. Which type of Sales promotion schemes influence the customers ?

Cash price [] Coupons [] Gift/Prize []

Warranties [] Pay. off/Discount [] Others []

19. Which types of schemes do you (dealer) preferred most ? Rank them
Free goods [] Allowance [] Price-off [] Sales Contest []
Premium/gift [] Credit facility [] Quantity discount [] Gift []
Others [] Trip []
20. Who are your target customers ?
High-income [] Middle-income [] Low income [] All of them []
]
21. Which Media is suitable to announce the sales promotion offers ?
Print (Kantipur etc) [] Electronic (T.V., Radio) []
Hoarding Board [] Outdoor Adv [] Others []
22. Do you have any suggestions for Sony and Philips Philips Company
about sales promotions ?