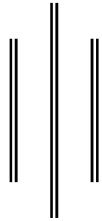


**ADVERTISEMENT AND SALES PROMOTION
OF
SWARAJ TRACTORS IN PARSA DISTRICT
(WITH REFERENCE TO RURAL AREA ON DRY PORT TO
POKHARIYA IN AGRICULTURE & INDUSTRIAL
SECTOR)**



A THESIS

Submitted By

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Thakur Ram Multiple Campus

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Exam Roll No 2nd year: 150001

Campus Roll No. 281/066



ATHESIS

Submitted To

Office of dean

Faculty of Management

Tribhuvan University

***In Partial Fulfillment of Requirement for the Degree of
Master in Business Studies (M.B.S)
Birgunj (Parsa)***

VIVA-VOCE SHEET

We have conducted the viva –voce examination of the thesis presented

By

ALOK KUMAR TIWARI

Entitled

**ADVERTISEMENT AND SALES PROMOTION OF SWARAJ
TRACTORS IN PARSA DISTRICT (WITH REFERENCE TO RURAL
AREA ON DRY PORT TO POKHARIYA IN AGRICULTURE &
INDUSTRIAL SECTOR)**

And found the thesis to be the original work of the student and written

According to the prescribed format. We recommend the thesis to

Be accepted as partial fulfillment of the requirement for

Masters Degree of Business Studies (M.B.S.)

Viva-Voce Committee

Head of Management Research Department

Member (Thesis Supervisor)

Member (External Expert)

DECLARATION

I hereby declare that the work reported in this thesis entitle “ADVERTISEMENT AND SALES PROMOTION OF SWARAJ TRACTORS IN PARSA DISTRIC”. Submitted to Thakur Ram Multipal Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Study (M.B.S.) under the supervision of Mr.Lalan Dwibedi

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Date...2014

ACKNOWLEDGEMENT

The thesis report on the study of “**ADVERTISEMENT AND SALES PROMOTION OF SWARAJ TRACTOR IN PARSA DISTRICT**”(with Reference to Rural Area On Dryport To Pokhriya In Agriculture & Industrial sector.)for partial fulfillment of the requirement of the master degree In business studies (M.B.S.)and in also indented to disseminate the result of the research work as well as other research activities contained in the report , to all the concerned. Relevant international and domestic research paper, dissertation and articles are referred and reviewed and the views expressed here in the research outcomes are based on publicly available data and are those of mine and do not necessarily reflect the official views of the study unit.

I great full acknowledge the faculty of management Thakur Ram M. campus,T.U which provided the grand to make the thesis report possible special thanks are due to all the library & administrative staff of Thakur Ram Multiple Campus particularly.

It is my great pleasure that I would like to intend my sincere gratitude and appreciation to my thesis supervisor Mr.Lalan Dwibedi lecturer of management Thakur Ram Multiple Campus for his constant encouragement , guidance and valuable supervision during the period of research work ; I would like to extend my cordial thanks to the Campus Chief Mr. Lalan dwibedi and MBS program coordinator & Lecturer Mr.Sanjay Shrestha, Associate Professor Mr.Dr.Deepak Shakya and Mr.Krishana kumar sah lacture Mr.Shambbu Sharan shah and Mr.Ganesh niraula for thesis instruction and suggestion.

My appreciation is also to the staff of Omini Outomobile outhorised deler of swaraj tractor Shreepur Birgunj ,parsa specially thanks to Mr.Dependra Chaudhary service and spare incharge who helped me in providing annual reports ,information and the answer of questionnaire as well as those member who have provided resoures for the conduce of the maining event under the project. Their continuous support has enabled me to carry out my thesis.

Beside this i would like to express my debt of gratitude to my respected father Mr.Ramakant tiwari & mother Ms.Siyapari devi and brother Mr.Bibek tiwari & sister Khushbu kumari and all my Campus friend who always support encouraged & inspired me and make me believe in my ability that's why I am able to complete my master degree & this thesis work

Thanks,

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CHAPTER- I

INTRODUCTION

1.1 Background

Our country Nepal is a landlocked country with agro based economy. Where our country will be divided into three part by geographical nature namely Himalayan, mountain & terai with 5 development region & 75 districts all around it has an area of 1, 47,181 sq. km. Nepal is a one of the lease development countries with less economy growth more than 80% people stay in rural area, the per capita income of Nepalese people is near around \$1010 & economic growth rate is 3.6 currently in fiscal year 068/69.

Nepal has a population of 2,64,94,504 with about 6.73%(17,81,972) population living in the Himalayan & 43.01%(1,13,94,007) in mountain & lastly 50.27%(1,33,18,705) population living in the terai region.(:- sources of census -2068).

Parsa district in located in narayani zone central region. Parsa district is touched by bara district in east, chitwan district in west, bihar state of india in south & makwanpur district in the north. Birgunj is the headquarter of parsa district. Birgunj is also known as gateway of Nepal. Parsa district has a population of 6,01,017 with area of 1353 & v.d.c of 82, electoral area of 5 &1 sub metro-politon. It has 54,732 hector land of agriculture sector. One of the biggest dry port located at parsa district. Dry port is 3 k.m far in west at birgunj sub metro politon. There are day by day several small & large industries established. (:- sources of census-2068).

The term ‘advertisement’ is very popular in today’s world. All the countries uses this word. The word advertising is derived from a Latin word ‘advertise’ which mean to return the attaint ion a specific things. Advertising is the impersonal

Method of communicating message to the public of a product, services & ideas through a medium.

Different related expert's defined advertisement is as follows:-

"According to jelkings-1985":- advertising is the mean by which we make known what we have to sell or what we want to buy.

"According to Philip kotler-2000" :-advertising is any paid form of non personal presentation of ideas, goods & services by an identified response.

Advertising is a bridge between producer & consumer. Advertising is the main tool of informing, convincing, influencing & persuading to the targeted segment & plays significant role on brand choice of consumer product. Advertising is a method of communication which is one of the most important aspects of human behavior.

Selling is not a new profession in fact it may be considered to be the world's oldest profession.

Defined selling is different way are as follows:-

"According to Simon cooper" :- selling of function which is concerned with identify the specific needs, desired & problem of individual customers & providing satisfaction of these through benefit or solution in order to facilitate profitable business transaction.

Selling then should be defined as the process of where by seller as certain activities & satisfy the needs or wants of the buyers to the mutual continuous benefits of both the buyer & sellers.

Important of advertisement & sales promotion is increasing in marketing, as the market place is being more & more complex & competitive day by day. In the modern competitive market advertising& sales promotion is playing an essential role in wining the market share over the competitors. Today's companies are investing huse amount of money in advertising sales promotion not just to make sales of their product but also to create position in the mind of customers. This trend has also seen in the tractor marketing Nepal also. From last few years the

number of tractors brand has been increasing day by day. The companies are fighting for their market share in the market in a different ways. Advertising has become their major tools to communicate & differentiate their product from competitor's product. Companies are also engaging in different type of sales promotion activities to attract the customers to buy the product & to motivate the dealers to sales the company's product. To analyze the promotion mix, especially advertisement & sales promotion the tractor available in parsua district has been considered. More specially, the study analyses a for mentioned promotional mix on swaraj tractor Nepal pvt.ltd.

1.2 Company Profiles Of Swraj Tractor

Swaraj tractor is a Indian multinational company. Swaraj is the undisputed champion of the market. The Punjab region base manufacturer was the 2nd largest in term both revenue and unitshipped during the fiscal yr. B.s.2012/13. Swaraj tractor company established is ed.1970/71 in Punjab region mohalicity. The sales department M.D. name is debendra malhotra. The M.D. of sales department for Nepal in pradeep gogana .the branch of swaraj tractor name of OMNI outomobiles shreepur birgunj was establishment in fiscal yr.2058/59. OMNI outomobiles owner named is sandeep mohta and propriter named is binay kasra.swaraj tractors are capture in 95% of agricultural sector & 5% of industrial sector in parsua distrik swaraj tractor have more then 7 lakhs customers in allover.it have 574 dealer company and spears & parts distributers center are more then 30.swaraj tractor is one of best tractor in parsua distric because more then 40 to 50 tractor sales in every year. Swaraj tractor have become a raising brand in tractor market.its actual prise of 9lakh to 10lakhs.deffrent model of swaraj tractor in different working area.it is too better work on agriculturlel & industrial area.

1.3 Focus Of The Study

This study will focus on the advertisement & sales promotion of swaraj tractor in parsa district with reference to dry port to pokhariya in agricultural & industrial sector.

In modern day competitive market there are many product & services, which are operating in same market to satisfied same unsatisfied demand, so it has become very challenging for any organization to differentiate their product & services with competitor's product & services.

In day by day marketers are seeking the answer of how they could tale their customer in batter way about their product, suggested new uses for a product informing the market of price change & explaining how the product work.

Advertising & sales promotion has become an effective marketing tool to the solution of these problems to some degree & differentiates. The product with competitors product in the mind of customers, so effective advertisement & sales promotion strategy has become a core competence of the organization, the provides competitive advantage to the organization.

In short, the study is to describe the advertisement & sales promotion especially concentrating on swaraj tractor market. The study will focus on the advertising & sales promotion behaviors of business houses that are swaraj tractor business in parsa district & how they are be in active in attaining & retaining the market share in parsa district.

1.4 Statement of the Problem

Our country Nepal will be an agriculture country. Which will be gradually sifting from the agriculture to industrial sector for sustaining its economic life? Moving toward developing in both national & international prospective has increased the types of the products as well as their alternative brands of this product in the Nepalese market. Today one can use the produced in any corner of the world sitting at own home or town.

Nepalese market also has given much more freedom to choose the brand. Now Nepalese consumer are not completed to buy any particulars, brand rather than are provided with different brand & they are quite free to choose the brand they think the best.

The question have arise are how they choose the brand or product? From what sources they get information about product or brand & what factor affect them to choose the brand? These are the burning question of Nepalese market. However no attempt has been made so far to answer this question.

So the basic problem are of this study is advertisement & sales promotion of swaraj tractor in parsua district under dry port to pokhariya sector.

1.5 Objective of the Study

The specific objectives are as follows

- ❖ To evaluate the effectiveness of advertising & sales promotion for attaining & retaining the market concentrating on tractor business in parsua district under dry port to pokhariya.
- ❖ To analyzing relationship between advertisement & consumer.
- ❖ To identify the present situation of advertisement & sales promotion of swaraj tractor.
- ❖ To examine the brand awareness of customers.
- ❖ To review the market status of swaraj tractor.
- ❖ To analyze the important of sales promotion in building company reputation.
- ❖ To examine the popularity of the swaraj tractor in dry port to pokhariya sector.

1.6 Significance of the Study

- ❖ This study will help marketers to improve their advertising & sales promotion policies. This study will also help marketers to analyze the impact of different factors on decision making patterns of consumer. Especially in Parsa district in dry port to Pokhariya agricultural & industrial sector, similarly this study will try to find out the consumers behaviors in agricultural & industrial sector.
- ❖ The modern market is totally depend on the advertising without it producer & distributors would be unable to sell, buyer would not know about & continued to remember product or services, & the modern industrial world would collapse. If factory output is to be mentioned profitably advertising must be powerful & continues. Advertising & sales promotion are playing informative persuasive a reminder role in the market. It is helping to capture high customer equity by attracting potential customer & retaining royal customer of an organization.
- ❖ Advertising & sales promotion business is one of the businesses which are regularly using aggressive advertising sales promotion tools for their product. Advertising & sales promotions is playing vital role in creating push & pull demand in market.
- ❖ Effective advertising & sales promotion strategies have become the critical success factors of an organization, which under in the strategic advantages of an organization. Advertising and sales promotion activities have become a most important and effective marketing tools to gain market share and to communicate the product with customer.
- ❖ Therefore it makes sense to believe that the study will be significant and relevant in today's context.

1.7 Limitation of the Study

The study is confined to the following limitations.

- ❖ The study focuses on the advertisement & sales promotion but does not cover the other promotional activities.
- ❖ The study will be limited only to the Parsa district consumer. Under dry port to Pokhariya in agriculture & industrial sector. Primary data collected by Omani Automobiles branch of Birgunj of Swaraj tractor. Other data collected from sources such as journals, news papers, local F.M & district development committee Parsa report & field survey.
- ❖ Sample size is very small in comparison to the population of the study.

This study is entirely based on the views & responses of consumers & interviews with marketing executives of respective brands.

1.8 Research Methodology

Research methodology is concerned with various methods and techniques, which are used in the process of research studies. It is a scientific technology or art of inquiry in order to collect necessary data or information. It includes a wide range of methods including quantitative techniques for data analysis and presentation.

The present study has its objective to analyze and sales promotion strategies

and techniques. The research methodology will be followed to attain the basic objective and goals of this research work.

1.9 Organization of the Study

The study has been organized into following chapter

-) **Introduction:** this chapter deals with the background of the study, focus of the study, statement of the problem, objective of the study, significance of the study, limitation of the study, research methodology & organization of the study

-) **Review of literature:** this chapter is the brief review of literature related to the study; it includes a discussion on the conceptual frame work and review of the major studies. It gives an over view of the related literature done in the past related to the study.

-) **Research methodology:** this chapter describes the different methodologies employed in this study.

-) **Data presentation & analysis:** the chapter present and analyze the data obtained during the study. Different tools and technique of data analysis have been under taken for the purpose of analysis of data.

-) **Summary, conclusion & recommendation:** the chapter include the summaries the whole study make conclusion on the basis of data analysis and major finding drawn out and finally provides recommendation for improvement.
Besides the chapter bibliography and appendix have been presented at the end of the study.

CHAPTER-II

REVIEW OF LITERATURE

Review of literature means reviewing research studies or other relevant propositions in the related area of the study so that all the past studies, their conclusions and deficiencies may be known so that further research can be conducted. It is an integral and mandatory process in research works.

Walliman- "A literature review is a summary and analysis of current knowledge about a particular topic or area of enquiry".

Under this section, the conceptual review and the review of previous studies related to the present study has been presented.

2.1 Conceptual / theoretical review

2.1.1 Introduction of Marketing Concept

"The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competition. Today most firms have adopted the marketing concept, but this has not always been the case." (Huff and Alden; 1998:48)

In 1776 in the Wealth of Nations, Adam Smith wrote that the needs of producers should be considered only with regard to meeting the needs of consumers. While this philosophy is considered with the marketing concept, it would not be adopted widely until nearly 200 years later.

"To better understand the marketing concept, it is worthwhile to put it in perspective by reviewing other philosophies that once were predominant. While these alternative concepts prevailed during different historical time frames, they are not restricted to those periods and still practiced by some firms today." (Shimp; 2000: 62)

"When firms first began to adopt the marketing concept, they typically set up separate marketing departments whose objective it was to satisfy customers' needs. Often these departments were sales department with expanded

responsibilities. While this departments were sales departments structure can be found in some companies today, many firms have structured themselves into marketing organizations having a company-wide customers focus. Since the entire organization exists to satisfy customer needs, nobody can neglect a customer issue by declaring it a ‘marketing problem’ – everybody must be concerned customer satisfaction.” (Gupta; 1988: 342)

The Marketing concept relies upon marketing research to define market segments, their size and their needs. To satisfy those needs, the marketing team makes decision about the controllable parameters of the marketing mix. Different individuals and associations have tried to define marketing in their own terms. Some are as such:

According to the American Marketing Management Association: “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.”

According to Philip Kotler: “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of values with others.”

According to Peter Drucker “There will always, one can assume, be need for some selling but the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. All that should be needed then is to make the product or services available.”

2.1.1.1 The Marketing Mix

Marketing decisions generally fall into the following four controllable categories:

-) Product
-) Price
-) Place (distribution)
-) Promotion

The term “Marketing mix” became popularized after Neil H. Borden published his 1964 article, the concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940’s after James Culliton had described the marketing manager as “mixer of ingredients”. The ingredients in Border’s marketing mix included product planning, price, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 P’s of marketing, depicted on the next page:

Figure 2.1

The Marketing Mix



These four P’s are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decision that centers the four P’s on the customers in the target market in order to create perceived value and generate a positive response.

1. Product Decisions

The term 'product' refers to tangible, physical product as well as services. Here are some examples of the product decision to be made:

-) Brand name
-) Functionality
-) Styling
-) Packaging
-) Repairs and Support
-) Warranty
-) Accessories and Services

2. Price Decisions

Some examples of pricing decision to be made include:

-) Pricing strategy (skim, penetration, etc.)
-) Suggested retail price
-) Volume discounts and wholesale pricing
-) Cash and early payment discounts
-) Seasonal pricing
-) Bundling
-) Price flexibility
-) Price discrimination

3. Distribution (Place) decisions

Distribution is about getting the products to the customer. Some examples of distribution decisions include:

-) Distribution channels
-) Market coverage (inclusive, selective, or exclusive distribution)
-) Specific channels members
-) Inventory management
-) Warehousing
-) Distribution centers

-) Order processing
-) Transportation
-) Reverse logistics

4. Promotion Decisions

“In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating positive customer response. Marketing communication decisions include:

-) Promotional strategy (push, pull, etc.)
-) Advertising
-) Personal selling and sales force
-) Sales promotions
-) Public relations and publicity
-) Marketing communications budget” (Landler and DeGeorge, 1991: 68)

2.1.1.2 Limitation of the Marketing Mix Framework

“The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organization and with a wider variety of products markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people, process, etc. today however, the marketing mix most commonly remains based on the 4 P’s. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbook have been organized around it.” (Davis, Inman, and McAlister; 1992: 144-145)

2.1.2 Promotion

As mentioned earlier, it is one of the four key aspects of the marketing mix. Promotion involves disseminating information about a product, product line, brand, or company. As defined in the Free Management Library (1997-2008), Promotion keeps the product in the minds of the customer and helps stimulate demand for the product. Promotion involves ongoing advertising and publicity (mention in the press). The ongoing activities of advertising, sales and public relations are often considered aspects of promotions.

According to Professor Philip Kotler – “Promotion includes all the activities the company undertakes to communicate and promote its products to the target market”.

According to professor William Stanton “Promotion is the element in an organization’s marketing mix that serves to inform, persuade and remind the market of a product and/or the organization selling it, in hope of influencing the recipients’ feeling, beliefs or behavior”.

“Promotion is a part of marketing. Today the scope of marketing is growing so rapidly due to the expansion of the market. As market demand increase along with the changing test, new and new products are being introduced in the market. Due to the rough competition and sophisticated market the companies are bound to face new and ever changing marketing realities.” (Blackwell, Miniard and Engel; 2001: 53)

“To sustain in the market whose taste and demand are frequently changing, promotion becomes the happening tools for modern age marketers. New prospective is attained by effective promotional practices in the marketing process. Again to prevent the existing customer switching to other brands, they must be reminded for the existence of the product the versatile promotional activities are being done. Promotion is the contributing and supporting component in the marketing mix. With the help of promotional activities, the firm communicates its objectives with the customers.”(Dotson, and Hyatt; 2000: 225)

Promotion is generally sub-divided in two parts:

“Above the Line Promotion: Promotion in the media (e.g. TV, radio, newspapers, internet) in which the advertiser pays an advertising agency to place the ad

Below the Line Promotion: All other promotion. Much of this is intended to be subtle enough that the consumer is unaware that promotion is taking place. E.g. (sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal selling, public relations, trade shows).

The specification of these four variables creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image.” (Forrest and Mizersk; 1996: 76-78)

2.1.2.1 Promotion Mix

There are four main aspects of the Promotional Mix. These consist of:

- a) Advertising: “Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. Examples: Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails.” (Schmitt; 1999: 102)
- b) Sales promotion: “Incentives designed to stimulate the purchase or sale of a product, usually in the short term. Examples: Coupons, sweepstakes, contests, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions.” (Kirby; 2005: 42)

- c) Personal selling: “A Process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation. Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to face or via telephone.” (Shaw and Ivens; 2004: 46)

- d) Public relations: Non-paid non-personal stimulation of demand for a product, service, or business unit by planting significant news about it or a favorable presentation of it in the media. Examples: Newspaper and magazine articles/reports, TVs and radio presentations, charitable contributions, speeches, issue advertising, and seminars. (Mason and Ezel; 2001: 71)

- e) Sponsorship: “ It is sometimes added as a fifth aspect. Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization.” Stanton; 1994: 104)

As a part of promotion mix, advertising and sales promotion are one of the most effective tools in marketing. The study further deals in detail with only these two aspects of the promotion mix while remaining focused to the title of our research study.

2.1.3 Advertising

“Advertising is a form of communication whose purpose is to inform potential customers about products and services and how to obtain and use them. Many advertisements are also designed to generate increased consumption of those products and services through the creation and reinforcement of brand image and brand loyalty. For these purposes advertisements often contain both factual information and persuasive messages. Every major medium is used to deliver these messages, including; television, radio, movies, magazines, newspapers,

video games, internet, and billboards. Advertising is often placed by an advertising agency on behalf of a company.” (Murphy; 1997:25)

“Advertisements can also be seen on the seats of grocery carts, on the walls of an airport walkway, on the sides of buses, heard in telephone hold messages and in-store public address systems. Advertisements are usually placed anywhere an audience can easily and/or frequently access visuals and/or audio and print.” (Panta; 1998: 46)

Organizations which frequently spend large sums of money on advertising but do not strictly sell a product or service to the general public include: political parties, interest groups, religion-supporting organizations are not typical advertising clients and rely upon free channels, such as public service announcements.

According to American Marketing Association (AMA): “Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by identified sponsors.”

As defined by Frank Jeffries: “Advertising is the means by which we make know what we have to sell or what we have to buy.” “Advertising is the no personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media.” (Bovee: 1992: 201)

Above definitions of advertising emphasized on the selling objectives of the company. It says that the advertising planning and implementation are done to secure more sales with less cost contribution. But unlike the salesman who sells in a face-to-face or even voice-to-voice situation, advertising is just a broadcast fashion to numbers of prospect whose identity may or may not be know and who may be close at hand or distance.

2.1.3.1 Types of Advertising

Advertising generally can be broadly categorized into four different types:

1. Media:

“Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television ads, web banners, mobile telephone screens, shopping carts, web popup, skywriting, bus stop benches, human directional, magazines, newspapers, town criers, sides of buses or airplanes (“logo jets”), taxicab doors, roof mounts and passenger screens, musical stage shows, elastic bands on disposable diapers, stickers on apples in supermarkets, shopping cart handles, the opening section of streaming audio and video, posters, and the backs of event tickets and supermarket receipts. Any place an “identified” sponsor pays to deliver their message through a medium is advertising.” (Shrelekar; 2001: 82)

Another way to measure advertising effectiveness is known as ad tracking. This advertising research methodology measures shifts in target market perceptions about the brand and product or service. These shifts in perception are plotted against the consumers’ levels of exposure to the company’s advertisements and promotions. The purpose of Ad Tracking is generally to provide a measure of the combined effect of the media weight or spending level, the effectiveness of the media buy or targeting, and the quality of the advertising executions or creative.

2. Covert advertising:

“Covert advertising is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an item or other of a definite brand, as in the movie ‘Minority Report’, where Tom Cruise’s character John Anderton owns a phone with the ‘Nokia’ logo clearly written in the top corner, or his watch engraved with the ‘Bulgari’ logo. Another example of advertising in film is in ‘I, Robot’, where main character played by Will Smith mentions his ‘Converse’ shoes several times, calling them “classics,” because the film is set far in the future.” (Schultz; 2002: 22)

3. Television commercials:

“The TV commercial is generally considered the most effective mass-market advertising format, as is reflected by the high prices TV networks charge for commercial airtime during popular TV events.

The majorities of television commercials feature a song or jingle that listeners soon relate to the product. Virtual advertisements may be inserted into regular television programming through computer graphics. It is typically inserted into otherwise blank backdrops or used to replace local billboards that are not relevant to the remote broadcast audience. More controversially, virtual billboards may be inserted into the background where none existing in real-life. Virtual product placement is also possible.” (Solomon; 1999: 118-119)

4. Newer media and advertising approaches:

Increasingly, other media are overtaking television because of a shift towards consumer’s usage of the internet. Advertising on the World Wide Web is a recent phenomenon. Prices of Web-based advertising space are dependent on the “relevance” of the surrounding web content and the traffic that the website receives.

E-mail advertising is another recent phenomenon. Unsolicited bulk E-mail advertising is known as “spam”. Some companies have proposed to place messages or corporate logos on the side of booster rockets and the International Space Station. Controversy exists on the effectiveness of subliminal advertising, and the pervasiveness of mass messages.

Unpaid advertising (also called word of mouth advertising), can provide good exposure at minimal cost. Personal recommendations (“bring a friend”, “sell it”), spreading buzz, or achieving the feat of equating a brand with a common noun (in Nepal, “Wai Wai” = “noodle”, “Coca-cola” = coke/ cold drinks, “Hoover” = “vacuum cleaner”) --- these are the pinnacles of any advertising campaign. However, some companies oppose the use of their brand name to label an object. Equating a brand with a common noun also risks turning that brand into a generalized trademark – turning it into a generic term which means that its legal protection as a trademark is lost.

SMS (Short Message service) texts messages have taken advanced countries like Europe by storm and are breaking into Nepal. The benefit of SMS text messages is people can respond where they are, right now, stuck in traffic, sitting on the metro. The use of SMS text messages can also be a great way to get a viral (word-of-month) campaign off the ground to build own database of prospects. Interstitial advertisement is a form of advertisement which takes place while a page loads.

2.1.3.2 Negative Effects of Advertising

“An extensively documented effect is the control and vetoing of free information by the advertisers. Any negative information on a company or its products or operations often results in pressures from the company to withdraw such information lines, threatening to cut their ads. This behavior makes the editors of the media self-censor content that upset their ad payers. The bigger the companies are, the bigger their relation becomes, maximizing control over a single piece of information.

Advertisers may try to minimize information about or from consumer groups, consumer –controlled purchasing initiatives (as joint purchase systems), or consumer-controlled quality information systems.

Another indirect effect of advertising is to modify the nature of the communication media where it is shown. Media that get most of their revenues from publicity try to make their medium a good place for communicating ads before anything else. The clearest example is television, where broadcasters try to make the public stay for a long time in a mental state that encourages spectators not to switch the channel during advertisements. Programs that are low in mental stimulus, require light concentration and are varied are best for long sitting times. These also make for much easier emotional transition to ads, which are occasionally more entertaining than the regular shows. A simple way to understand objectives in television programming is to compare the content of programs paid for and chosen by the viewer with those on channels that get their income mainly from advertisements.” (Henderson; 1994: 86-89)

2.1.3.3 Evolution of Advertising

Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange. Since the knowledge of advertising and art of printing were not developed, in early days advertising was passive and was in limited use. The earliest form were signboards and writing on the walls of prominent building. Shouting loudly about the price and description of the article to be sold was the only method of attracting and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printing, advertising work got boost.

During the 16th century newspaper was the longest form of carrying advertising and these newspaper were first published in the form of news letter. As published in C.N. Sontakki advertising, “The first newsletter was started in 1622 in England. The second half of the 16th century witnessed newspaper in the form of news book. It can be said that by the middle of the 17th century, there were special advertising periodicals. It has been recorded that excellent news books were published around 1675. By the end of 17th century newspapers were well established in England under carrying advertisements as a regular basis.”

“Modern advertising is a product of industrial revolution of the 18th century in 1760. Before transportation and communication were developed, means of public expression were limited. But the desire to broadcast ideas were analyzed there, although early attempts to influence the action of his fellow go back to the beginning the off-recorded history” (Cooler’s Encyclopedia, New York: 1976).

Television was invented in the mid 19th century as the most powerful communication tools. In 1949, the first television commercial was telecasted in England. Television was working as the most powerful media for advertisement until few years back when the computer technology has not been reached to this stage. But today, in the developed country, internet advertisement has become even more popular and it can after some years probably could take the place of television medium. But again, television still more effective medium for advertisement than press and radio due to audio-visual facility.

“Television has a powerful means of advertising from 1950, it has brown in its importance with its color presentation and it is going to rule advertising world. There are major indoor colors advertising media. The outdoor advertising similarly has been developed in traveling displays, sky-writing, in addition to the earlier means like poster, printed displays and sandwiched-men.” (Sontakki; 1998: 123-128)

2.1.3.4 Role of Advertising in Modern Business World

“Advertising is primarily a mean by which sellers communicate to prospective buyers about the worth of their goods and services. Advertising is not a game, toy or racket. It is a basic tool of marketing for stimulating demand and for

influencing the level and character of the demand. It has economic, social and psychological functions.” (Chunawalla & Sethia; 1997: 59)

1. Economic Function

“All that advertisement has to do is to sell a product or service. The function of advertisement is accomplished by communicating properly and effectively, by communicating to the right people, by communicating to the right message, put across through brilliant and persuasive language, making use of appeals through different human motives. Advertising inclines customers favorably to the products, it affects their attitude. So advertising performs the economic function by being an art of persuasion.

Advertising not only markets the products but also a corporate ethos, a corporate philosophy, by giving memorable corporate stories reaching deeper into the public psyche than a bare recitation of performance statistics.” (Chunawalla & Sethia; 1997: 62-63)

2. Social Function

“Advertising has affected not the core cultural values but the subsidiary cultural values. For example, to get married is a core cultural value. Advertising cannot effectively change it by telling people that you do not marry. Yes, to marry late and not to an early age is a subsidiary cultural value. Advertising can definitely affect it. It can persuade people marry late.

Advertising is a mirror of the society in which it operates. It reflects the cultural values of that society. Successful advertising is consistent with the cultural values of a given society. Yes, it can transfer some cultural value of one society to another society at a given point of time. Its cross-cultural impact will depend upon the universalisation of appeal.

Advertising invests a new product with confidence- confidence about its function, quality, price and availability. Advertising promises a quality and, forces manufacture to live up to the promised quantity. So advertisement brings about consumer welfare by two-fold method:

-) by improving standard of living;
-) by improving product quality

Advertisements for social causes like cancer prevention, anti-dowry campaign, family planning etc. make us socially responsible. Advertising protects the consumers by educating them and by forcing the manufactures to maintain a quality and be fair. Advertising respects the ethics of the prevalent society.” (Chunawalla & Sethia; 1997: 65-67)

3. Psychological Function

Advertising is closely linked to consumer behavior. So, it effects the personality of the consumer, his concept of self, his attitudes, beliefs and opinions, his life-cycle and life-style etc. advertising appeals to our psychological and psychological motives of people. Its appeals may be rational or emotional.

2.1.3.5 ADVERTISING EFFECTIVENESS

Good planning and control of advertising depend on measures of adverting effectiveness. The effectiveness of advertising depends upon to what extent the advertising message is received and accepted by the target audience. Research has identified that an advertisement to be effective has to –

1. Attract attention
2. Secure interest
3. Build desire for the product and finally
4. Obtain action

The features are expressed by “AIDA” model based on the identical principle of sequential stages of consumer action. Advertisers have actively and continuously sought new methods which would help them to better the effectiveness of their advertising with the aim to eliminate waste and to increase the effectiveness of their advertising measurement of advertising effectiveness help management to maximize the contribution that advertising can make for most advertising, the eventual measure of effectiveness is frequently tied to sales per rupee spent. Most measurement of advertising effectiveness deals with specific ads and campaigns. Most of the money is spend by agencies of pre-testing ads and much less is spend on their effectiveness. A proposed campaign should be tested in one or few cities first and its impact evaluated before rolling it out nationally. Most advertisers try to measure the communication effect of an

ad that is its potential effects on awareness knowledge or preference. They would also like to measure that aids sales effect. Increasing sales and at the same time, large sum of money are sent on it. In the face to mounting and advertising costs on one hand and a squeeze on profitability on the other hand, top managements are increasingly concerned about the benefit of advertising in the operation of a business.

This concern is understandable, for advertising is one of the few, if not only, item of expenditure in a company's balance sheet that can't be measured in terms of its specific contribution towards its sales and profitability. An advertising manager, ideally, should be able to do this; but in most of the cases, he can't. This apparent lack of accountability of advertising is increasingly becoming untenable today. Advertising, therefore, has to prove its contribution to the total marketing efforts like any other allocation of corporate resources, or else advertising expenditure will run the risk of being set arbitrary or even slashed drastically." (Shaw & Ivens; 2004: 91-92)

The value of advertising cannot determine unless its role and function are understood. The unaccountability of what advertising, in most cases arises from a lack of appreciation of what advertising can or cannot do.

Advertising should be viewed as a part of total marketing effort of a company. The glib answer to the question: why do companies advertise, is it to sell products? But in recent times, increasing number of advertising personal has been frankly saying that advertising personal has been frankly saying that advertising cannot actually sell product. Supporting this view, the association of national advertisers, U.S.A, defines advertising as a mass paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser (which may lead to sale of a product or service). "Advertising is in fact only one in the series of tools on the marketing communication mix-the other tools are personal selling, retailer recommendation special sales promotion, publicity etc, the job of advertising is to perform certain communication jobs with greater speed, volume and economy." (Rathor ; 1998: 82) If all promotional tools are coordinated with each other and implemented accordingly, it may sell the product too. The ultimate aim of advertising/promotion is often to help raise the level of immediate sales. However the object that involves an increase in immediate sale in sent operational in nature in many case for two reasons.

Advertising is only one of the many factors influencing sales and it is difficult to isolate its contributions to those sales. The other force includes price, distribution, packing, product feature, complete action and changing buyer needs and tastes. It is absolutely different to isolate the effect of advertising.

Evaluating advertising only by impact on sales is not practical.

Advertising can be understood as the form of communication which aims at bringing about some change in the behavioral of target audience ,particularly the potential buyers or non-buyer towards the product or service advertising .A generally theoretical model seeks to identify a step-wise behavioral progression of non-buyer towards buying actions. This is the progressions from awareness to comprehensions, from comprehensions to favorable attitude to convictions and finding actual purchased of the product concerned ,which is presented in the diagram to answer how advertising convert from potential to actual one.

AWARENESS

COMPREHENSION

FAVORABLE ATTITUDE

CONVICTION

ACTUAL PURCHASED OF ADVERTISED PRODUCT

It is open to question if this model represent what actually happened in the real life for one thing. Actual purchase occurs as a result of many factors and advertising is only one them. Sometimes advertising can do its job and customer to the retail outlet, but if the distribution plan of the company is uneven and retail doesn't stock of the products, purchase may not result. "Simply advertising stimulates the potential buyers to go to the stores to buy actual advertised products. In general, advertising is done in expectation of tangible gain such as favorable attitudes, better image of the firm and increased sales. To get the maximum result from promotion, all promotional tools have got unique characteristics and are complementary." (Shrestha; 1997: 28)

It is true that sometimes the effort of advertising cannot be measured directly in terms of sales. Therefore, advertising objective could be stated in terms of communication goals, such as awareness of the product or adorability of attitudes towards it.

The advertising is only one part of the marketing mix. It alone can not sell the product. There are many other factors-product quality, price packaging and product. Therefore it is rather difficult to establish a direct link between an advertisement and its effect on the sales of product.

As the Nepalese management is still in underdeveloped stage, Nepalese manufacturers are not in a position to spend much amount in the advertising research to judge the effectiveness of advertising on their products. Manufacturers feel investing in research is waste of money; instead it can be used for other promotional methods. So no manufacturer here can say definitely that how effective their advertising campaign and promotion are or what are the impact being seen in sales of their product due to promotion/advertising.

2.1.4 Sales Promotion

Sales promotion is one of the four aspects of promotional mix. Advertising offers a reason to buy whereas; sales promotion offers an incentive to buy. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

As defined by Marketing Teachers Ltd (200-2008): “Sales promotion is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix). Sales promotions are varied. Often they are original and creative, and hence a comprehensive list of all available techniques is virtually impossible (since original sales promotions are launched daily).”

According to Professor William Stanton: “Sales promotion refers to demand-stimulating devices design to supplement advertising and facilitate personal selling.” Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). “Sales promotions targeted at

the consumer are called consumer sales promotions. Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Consumer sales promotion includes tools such as samples, coupons, cash refund offer, price off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross promotions point-of-purchase displays, and demonstrations. Trade promotion includes prices off, advertising and display allowances and free goods. Business and sales-force promotion includes trade show and conventions, contests for sales reps and specialties advertising those tools are used by most organizations, including nonprofit organizations.” (Kotler; 2003: 314)

“Some sale promotions, particularly ones with unusual methods, are considered gimmick by many. For example, toothbrushes are often given various gimmicks, such as bright colors, easy-grip handles, or color-changing bristles so they appear more exciting to consumers. This is often done when trying to appeal to children or excitable adults, who often get more excited about the gimmick than the product.

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 consumers, middlemen and sales personal, It supplements advertising and facilitates personal selling.” Agrawal; 2001: 203)

2.1.4.1 Features of Sales Promotion

- * “short term; the duration of sales promotion should be neither too short nor too long from laughing to close. Generally, sales promotion lasts from seven days to three months.

- * Provides incentives: Sales promotions tools provide incentives to the buyer. The size of incentives should be attractive

- * Aims at quicker response; Sales promotions aims to produce quicker results in terms of faster sales and higher sales volume.

- * Directed at target audience: The target of sales promotion can be consumers, trade channels and sales personal. Sales promotion tools differ according to the target category.” (Agrawal; 2001: 206)

2.1.4.2 Objectives of Sales Promotion:

1. Consumer Promotion

- * “Encourage greater purchase and use of product.

- * Attract new customers by encouraging trial of new product, increasing impulse buying, increasing brand awareness etc.

- * Introduce new product by increasing samples of product in the package of existing products. The objective is to educate consumers rather than to increase sales.” (Agrawal; 2001: 207)

2. Trade Promotions

- * “Sales promotion persuades channel members to carry new brands and provide more shelf space. They also stimulate them to push the brand to the consumers.

- * Sales promotion persuades wholesalers and retailers to carry higher levels of inventory. It’s also encourages off-season buying.

- * Sales promotion incentives attract new channel members to carry the product.

- * Sales promotion is used to offset incentives provided by competitors. This discourages brand switching.

- * Sales promotion induces retailers to make better display of the product in the store.” (Agrawal; 2001: 208-209)

3. Sales force promotion

- * “Sales promotion motivates sales force for greater effort to get order from existing and new customers. It also stimulates them to make off-season sales.

- * Sales promotion supports the efforts of sales personnel to push new products.” (Agrawal; 2001: 210)

2.1.4.3 Sales promotional tools

According to Dr. Govinda Ram Agrawal, Sales promotional tools may vary according to the target market. Following are the tools being used for sales promotion:

1. Consumer Promotion

- * Free samples
- * Coupons
- * Rebates
- * Premium/Gifts
- * Price-off
- *Contests/Prices
- * Display/Demonstration

2. Trade Promotion

- * Free goods
- * Allowances
- * Price-off
- * Sales contest
- * Gift items
- * Credit facilities
- * Trade show

3. Sales force promotion

- * Sales contest
- * Trade shows/conventions
- * Gift items
- * Promotional kits

* Bonus and commission

2.1.5 Advertising/Promotion trend in Nepal

It is not declared that from when did the advertising trend got started in Nepal. However, it is said that to convey king's addresses to the country from the very beginning, a media was used. It is assumed that after some time this trend became the media of advertising. Above mentioned trend was the advertising for the non-business advertisement began with the dealer business.

In 1908 B.S. the Prime Minister Junga Bahadur Rana had brought a press in his visit to England, which was called "Gidde Press". But further this press was used to print envelopes, tickets, and government bulletins only so; this press could not run the business in the field of advertisement. "Nepal Manoranjan Press" of Tahiti was the beginner press in the field of advertisement in Nepal. In 1919 B.S. advertisement of a book named "Mochasiddi" was printed in this press. This is said to be the first advertisement in the history of Nepal. In 1945 B.S. a book named "Gorkha Hashya Manjari" is published in "Bharat Jeevan press" of Banarash. In this book, an advertisement of monthly Nepali Magazine named "Gorkha Bharat Jeevan" was printed. In the history of Nepalese advertisement another advertisement was printed in 1956 B.S. in the last page of book named "Nalopakhyan" published by "Pundit Kapildev Sharma" an advertisement of monthly magazine "Sudhasagar" was printed.

"Gorkhapatra" was started on printed on weekly basis from baisakh 24, 1958 B.S. In the first edition of "Gorkhapatra", in the editorship of Pundit Nardev Motikrishna Sharma published by "Pashupati Printing Press", an advertisement was printed. Then after, different magazines in Nepali language appeared.

Since Chaitra 20, 2007 B.S., Nepal Radio which changed its name to Radio Nepal later started its transmission. After that time transmission of commercial advertisement services and used to deposit the accumulated sum of money to Nepal radio. Nowadays Radio Nepal has its own advertisement services.

From Shrawan 29, 2042 B.S., Nepal Television has started its rail transmission. It may be assumed that from that day television advertisement is started in Nepal. The time period of trial transmission of Nepal Television was up to Poush 14, 2042 B.S., from this day "Nepal Television Corporation" was formed and started its transmission regularly. Now "Nepal Television Corporation" is 15 years old and out of its total transmission time 9.5% of time is taken by

advertisement. In this television 58% of national and 32% of foreign advertisement are transmitted. In these years of time, advertisement, in Nepal Television has obtained great deal of success.

“Some multinational companies with foreign collaboration have good and attractive advertisement like the advertising of Coca-cola, Liril, etc. In Nepal, a small percentage of the population own a television set because of their poor economic condition. It can be said that only the 39% of the total population can only watch the national program on NTV.” (NTV viewers survey record: 2051 B.S.) Cinema exhibition was started from 2006 B.S. in Nepal. It is not confirmed yet which was the first advertisement slide that was exhibited by cinema hall. But, it is assumed that the exhibition of advertisement slide started after establishment in 2007 B.S. it is assumed that first of all non-commercial advertisement slides was exhibited by cinema hall.

Nowadays, hoarding board display board, wall advertisement, posters and pham plating, making are the normal media of advertisement. Visiting cards, invitation cards are also the media of advertisement. (Krishna P. Dahal: 2055 B.S.)

2.2 REVIEW OF JOURNALS AND ARTICLES

Teunter (2010), in his article, “Analysis of Sales Promotion Effects on Household Purchase Behavior”, has stated that sales promotion can influence household purchase behavior in many ways (the so-called sales promotion reaction mechanisms). A household can decide to switch brands, purchase a larger quantity than intended, purchase it at a different moment than intended, etc. But not only can the current behavior be influenced. Suppose that a household purchases a larger quantity due to the promotion. During the subsequent shopping trip, the household can decide to buy less than what it normally purchases, or the household can decide to postpone its subsequent shopping trip to compensate for these extra promotional purchases. The sales promotion therefore can also influence the household behavior during the next shopping trip to compensate for these extra promotional purchases. The sales promotion therefore can also influence the household behavior during the next shopping trip (the so-called post-promotional effects). Some households

anticipate a sales promotion coming up and therefore wait for it, or buy less right now (the so-called pre-promotional effects). The effects of sales promotions on household purchase behavior have to be studied in an inter-temporal setting, not taking only the current promotional shopping trip into account but also the pre- and post-promotional shopping trips.

Manufacturers and retailers are spending more and more of their marketing money on sales promotions. Conflicting empirical results exist with respect to the effects of these sales promotions on household purchase behavior. Based on household scanner data, new insights are developed into the drivers of household promotion response and into the different reaction mechanisms that constitute household promotion response.

Kirchhoff (2010), in her article, “Advertising Industry in the Digital Age”, has stated that the advertising industry is a major sector of the U.S. economy, employing hundreds of thousands of workers and accounting for about 2% of the nation’s annual output, according to some estimates. Advertising campaigns by large firms and small businesses provide consumers with product information and generate crucial income for newspapers, television and radio stations, magazines, and other ventures. The advertising industry is in the midst of a fundamental restructuring, however. The deep recession has depressed ad spending. At the same time, the industry faces longer-term challenges as consumers migrate from traditional media to digital platforms such as websites, cell phones, mobile e-readers, and gaming networks. The emerging digital market offers great advantages including lower distribution costs, the ability to target ads to individuals rather than broad groups, and more precise tools to measure ad impact. But the rise of cut-rate online advertising has hurt media companies and businesses that depend on ad revenue. The changing structure of the market is also forcing changes in ad presentation and content, with implications for consumer privacy, Internet regulation, and media profitability. U.S. advertising spending declined in 2008. Deeper reductions are forecast for 2009. The sharp drop in ad dollars has prompted advertising agencies and media companies to lay off tens of thousands of workers and curtail production. Though the market is projected to gradually stabilize, some ad-dependent businesses like newspapers and magazines may not see revenues return to pre-recession levels for years, if then. Online advertising has slowed during the recession, though it is expected to claim a growing share of the market over the

longer term. Internet advertising has nearly doubled since 2005, to about 12% of the market, and some forecasts call for it to more than double again by 2014.

Digital advertisers are experimenting with a variety of approaches to reach consumers, who are not only dispersed among a multitude of Web pages, games, and social networks, but have more power to screen content using pop-up blockers or video recording devices. Firms are using “behavioral advertising” (tailoring ads to individuals based on technology that tracks their Web activities) or, increasingly, marketing on their own websites or through bloggers. The most successful approach to date is “search” advertising—where companies like Google and Yahoo sell ads as part of consumer-initiated information queries on their browsers. Search advertising, dominated by a few large firms, accounted for nearly half of digital ad revenues in 2008. The online market is generally compressed, with the top 10 digital ad firms garnering 71% of online revenue in the second quarter of 2009.

2.3 Review of thesis

Malla (2070), in her study, “A study on Sales Promotions of Pharmaceutical Product in Nepal,” has the main objective to study the market positions of Nepalese Pharmaceutical industries, Profitability of Pharmaceutical product and determining the problem of Nepal pharma market. The specific objective of the study is;

- a. To assess market share, price spread and Nepal producers share in pharmacy market of Nepal.
- b. To analyze the sale promotional tools and techniques adopted by Nepalese Pharma market.
- c. To analyze the competition in Nepalese Pharmacy Market.
- d. To assess the import substitution of Pharma industry.

The major findings of the study are;

- a. Only 32% of total Parma market share of Nepal is covered by Local productions .Remaining 68% by Indian and other countries.
- b. Nepalese Pharmaceutical Companies have to survive in their in their own domestic market due to inability to export their production to foreign

countries. Moreover, only fifty percent of total installed capacity of domestic companies have been utilized and rest half is idle which is leading to rise in cost of productions.

- c. The promotional tools adopted by most of Pharmaceutical companies are announcing schemes, high bonuses to retailer offering gift to doctors .And these are the factors that leads the Nepalese Pharma Market to unhealthy and unethical promotional practices.
- d. An excessive number of similar brands lead to problems of substitution, i.e. chemist substituting a prescribed brand in preference of another that might be more profitable to them.

Gurung (2008), in his study, " Impact of television Advertising of Cosmetics Product on Customer's Behavior; with Reference to Suns ilk Shampoo," has the main objective to measure the impact of television advertising on customer behavior. The other specific objectives of the study are;

- a. To examine the consumer preferences on the television advertisement.
- b. To examine the popularity of televisions advertisement.
- c. To analyze the effectiveness of the advertisement on cosmetics products.
- d. To analyze the factor that influence to buy the product.

The major findings of the study are;

- a. Majority of the respondent (62.5%) below age level of 15 years preferred musical advertisement mostly and it is followed by 18.75% of good wording whereas 6.25% of responding prefer simple advertisement and 12.5% of respondent prefer all the advertisement, i.e. musical good wording and simple.
- b. In context to the education-wise preference to the advertisement that most of the lower educated respondent preferred to musical advertisement. Regarding musical advertisement, 68.75% of people of below SLC prefer such program while in case of respondent Having SLC level majority of them 56.25% like musical advertisement.

- c. In case of the preference of advertisement according to gender majority of the 950%) male respondent found they like the musical advertisement and it is followed by 37.5% respondents who prefer good wording.
- d. In relations to the televisions watching habits, majority of the respondent (80%) found to have the habit of watching television. Form the comparison of male and female respondent, the percentage of women respondent for watching television seems to be higher than male respondents..
- e. In context to the consumer preferences to the advertise product or not advertise product majority of the respondents (81.25%) responded that that prefer the frequency advertised product. From the analysis it is found that most of those customers give the priority or preference to the frequency advertised product than not advertised product.

Upadhyay (1981), on “Radio advertising and its impact on purchasing acts in consumer goods” conducted a study. As radio was only the reliable medium of advertising in Nepal, he conducted the research on the radio advertising and its lively impact on purchasing acts in consumer goods. In his study were to study the availability and comparative cost of different forms of advertising in Nepal to find out the impact of radio advertising on consumer buying behaviors and to study the influence of radio advertising on sales of the advertised product. Thus his study is strictly confined to the impact of advertising on sales and consumer buying behavior.

Sharma (2002), in the title “Role of Promotion Activities/ Advertising in Building Brand image of production and reputation of a company (in the context of Gorkha Brewery Pvt. Ltd.) has been conducted to find out the Promotion and advertising in Building Brand image of Beer. The objective of the study was to examine the beer market and important of brand image in consuming beer by customers. The study has tried to benchmark the information regarding product and promotion.

Rai (2003), on “Advertising and Sales Promotion of Car in Nepal; with special reference to Hyundai Santro Zip Plus. The study was concentrated in effectiveness of advertising and promotion in covering market share in car

market. The result of finding was that the promotion scheme should be brought according to the changing need of desire of the customer.

The above are the research studies found in the field of marketing specially related to the advertising and sales promotion through the Tribhuwan University Central Department of management and Tribhuwan faculty of management, Shankar Dev Campus in Marketing Studies.

Even there are many previous research reports found on marketing field. There are no previous research reports found on marketing studies of television in Nepalese market. Researcher has attempted to prepare and present this report with his fullest effort. All possible primary and secondary sources of data are collected, analyzed and presented here in suitable manner.

2.4 Research Gap

Definitely, the above studies have shed light on the promotion strategy to greater extent and thus occupy a crucial place in the conduction of the study. However, all of the above research is confined to only one promotion mix, i.e. either sales promotion or advertising. Nevertheless, a company practices all sort of promotional mixes in most of the cases. Identifying this gap, the present study presents the joint effect of sales promotion and advertising to sales growth and to draw the attention of the consumer toward the Swaraj tractor in Parsa district.

CHAPTER- III

RESEARCH METHODOLOGY

Research methodology is concerned with various method and technique, which are used in the process of research studies. It is a scientific technology or art of inquiry in order to collect necessary data or information. It includes wide range of methods including quantitative technique for data analysis and presentation. The present study has its objective to analyze and sales promotion strategies and techniques. The research methodology will be followed to attain the basic objective and goals of this research work.

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In this study, historical as well as descriptive research design is adopted.

The research is based on recent empirical and historical data. It deals with the examining the advertising and sales promotion of Swaraj tractor in parsara district on the basis of available information. In the study, empirical as descriptive research design is adopted.

3.2 Population and Sample

At present 13 tractor companies, which are enumerated in Appendix- 2, exist in parsara district. However, the analysis of this entire tractor on the basis of advertising and sales promotion is somewhat impossible. Thus for the study only one tractor swaraj tractor in parsara district. The leading tractor has been selected.

3.3 Sources of Data

The study is based on secondary data as well as primary data. Secondary data have been collected by using the annual reports of Swaraj tractor (Omini automobiles dealer) and websites of (www.swarajenterprises.com) concerned sampled tractor industry and so on. Further, primary data have been collected by conducting questionnaire. For the primary data analysis, one set of questionnaires have been prepared. The set A questionnaire contains 10 questions and has been filled up through 10 employees and 1 dealers of swaraj tractor.

3.4 Data Collection techniques

The data are collected from secondary source as well as primary source. To collect secondary data, the researcher visited main dealer of swaraj tractor in parsa distric (Omani automobiles) authorized dealer for sales service spare of swaraj tractor. Campus library of TRMC birgunj, Birgunj sub-metropolitan library. The website of swaraj tractor- www.swarajenterprises.com & field survey Report.

For the collection of the primary data, the questionnaire approach was adopted. The questionnaire was carried out with different employees, dealers and consumers of swaraj tractor.

3.5 Period Covered

The necessary data and information have been collected from various sources covering a period of five years i.e. 2008 to 2013.

3.6 Data Analysis Tools

Marketing and statistical tools are the main tools to be used in the analysis of the data, which are enumerated separately.

3.6.1 Marketing Tools

The major marketing tools that have been utilized to meet the objectives of the study are;

- A) Sales of swaraj tractor to total sales of swaraj tractor
- B) Sales of advertising promotion expenses to sales of swaraj tractor

3.6.2 Statistical Tools

In this study, the following statistical tools have been extensively used;

A) Arithmetic Mean

Arithmetic mean is the number which is obtained by adding the various numbers of all the items of a series and dividing the total by the number of items.

Formula,

$$\bar{X} = \frac{X}{N}$$

Where,

\bar{X} = Arithmetic Mean

x = Sum of elements

N = Number of observation

B) Standard Deviation

The standard deviation measures the absolute dispersion of the observations. Standard deviation is extremely useful in judging the representativeness of the mean.

Formula,

$$\exists = \sqrt{\frac{(X - \bar{X})^2}{N}}$$

C) Coefficient of Variation (C.V.)

Coefficient of variation is the relative measure of dispersion. It is given by;

$$\text{Coefficient of variations (C.V.)} = \frac{\sigma}{\bar{X}} 100$$

CHAPTER – IV

DATA PRESENTATION AND ANALYSIS

4.1 Primary Data Analysis

This section of the study has been further divided in two sub-sections. The first sub-section analyzes the responses of employees and dealers of Swaraj tractor in Parsa district relation to the sales promotion and advertisement and the second sub-section analyzes the responses of retailers and consumers in relation to the experiences on sales promotion and advertising.

4.1.1 Analysis of the Responses of Employees and Dealers

Under this section, the responses achieved from the 10 employees and 10 dealers of the Swaraj tractor through the conduction of questionnaire that is related to sales promotion and advertising campaign of Swaraj tractor has been analyzed.

4.1.1.1 Understanding and Utilization of Sales Promotion

To efficiently utilize the sales promotion, it is crucial to understand the sales promotion first. To examine how the personnel of Swaraj tractor and the dealers have perceived the sales promotion, and how they have utilized the sales promotion, the respondents are asked on this matter.

Table 4.1**Understanding and Utilization of Sales Promotion**

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Direct Inducement to Buy	2	20	3	30	5	25
Offer Extra Value	5	50	3	30	8	40
Acceleration Tool	3	30	4	40	7	35
Table	10	100	10	100	20	100

(Source : Field Survey, 2013)

The table manifests that, as per the statement of employees, Swaraj tractor has mainly understood the sales promotion as the opportunity to offer extra value, such as price-off, coupon, merchandise allowances, free samples, to the consumers and the other parties of the market chain. About 50% of the total interviewed employees have confirmed this option. However, 30% of the employees of Swaraj tractor have stated that the sales promotion is practiced mainly to speed up the selling process and thus the promotion activity has served as acceleration tool. Similarly, 20% of the interviewed employees have said that the sales promotion is the direct encouragement to the consumers to buy the products of Swaraj tractor.

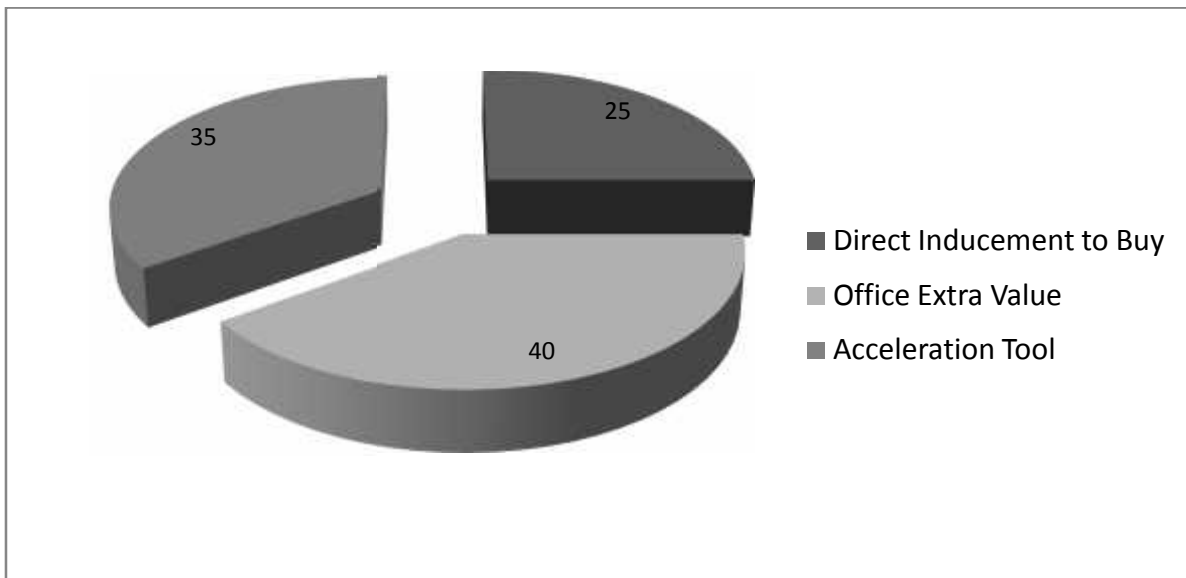
The dealers on the other side have expressed different opinions on the sales promotion of the Swaraj tractor. The majority of the dealers, 50%, have stated that Swaraj tractor practices sales promotion with the intention of accelerating the sales in the market. Nevertheless, 30% of the surveyed dealers have opined that sales promotion of Swaraj tractor has made straight influence on consumers to buy the product and thus the perception of the consumers on the tractor have increased in each time the tractor has forwarded sales promotion. Eventually, only 20% of the surveyed dealers have avowed that the Swaraj tractor has practiced the sales promotion to offer extra value to the consumers and other parties.

Analyzing the aggregate responses, it has been ascertained that Swaraj tractor has implemented sales promotion really to offer extra value to its consumers

and the other parties associated with sales of tractor. In total, 40% of the total respondents have supported this view. However, the proximity of number of respondents stating that the objective of sales promotion is to accelerate the sales is high to the respondents supporting extra value. About 35% of the total respondents have disclosed this fact. Finally, it can be stated that the sales promotion of Swaraj tractor gives low predilection to the direct inducement to the consumers to buy. Only 20% of the total respondents have opined this view. Thus, among the three options, it can be said that the sales promotion of Swaraj tractor is best to serve extra value to the parties of market chain.

Figure 4.1

Understanding and Utilization of sales Promotion



4.1.1.2 Achievement of Swaraj tractor Using Sales Promotion

The utilization of sales promotion and the achievement after the sales promotion differs according to the nature of business. To evaluate the achievement of Swaraj tractor after using sales promotion campaign, the interviewees are asked to disseminate the information.

Table 4.2**Achievement of Swaraj tractor Using Sales Promotion**

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Immediate Response	3	30	2	20	5	25
Quick Sales	3	30	3	30	6	30
Boost Market Share	4	40	5	50	9	45
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

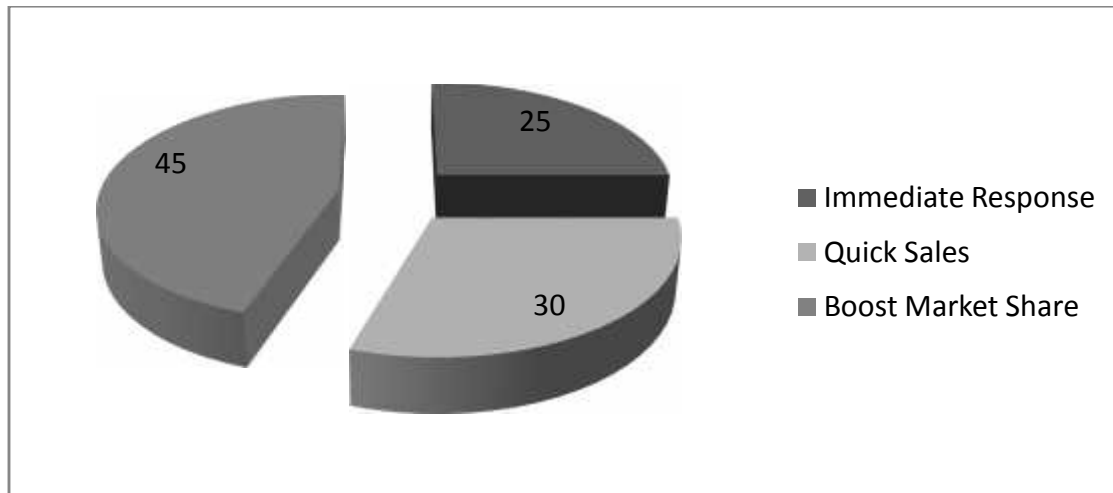
The table delineates that the majority of the employees of the Swaraj tractor have expressed that the sales promotion is more advantageous to advertisement due to the capacity of the sales promotion in boosting up the market share. About 40% of the total interviewed employees have insisted this view. However, 30% of the total employees have said that the sales promotion is more beneficial than advertisement in achieving the immediate response from the consumers, since, by nature, advertisement is focused for long term achievement and sales promotion is for short term focus. Nevertheless, 30% of the total employees have stated that the sales promotion of Swaraj tractor is more favorable than advertisement in making rapid sales, as the consumers are highly enticed by the sales promotion of Swaraj tractor.

Alike the employees of the tractor, the majority of the dealers of the tractor also shared the same opinions, and thus, 50% of the total surveyed dealers have insisted that the sales promotion of Swaraj tractor is more lucrative than advertisement in capturing the market share of the tractor. Among the other two remained options, unlike employees, the dealers of the tractor have revealed that the sales promotion of Swaraj tractor is more effective in making quick sales in shorter period than the advertisement does. Precisely, 30% of the interviewees have buttressed this idea. Finally, only 20% of the dealers have affirmed that the sales promotion is more effective than advertisement in achieving immediate feedback from the consumers.

Summing up the responses of each category, it has been ubiquitous that the sales promotion of Swaraj tractor is more effective than advertisement in pushing up the market share of Swaraj tractor in industry market. Half of the respondents have supported this opinion. Next to this option, sales promotion of Swaraj tractor is more effective than advertisement in making quick sales, and

thus 30% of the respondents have stated this view in total. Finally, 25% of the total respondents have said that the sales promotion of Swaraj tractor is more efficient than advertisement in getting immediate response from the consumers about the value it has offered in the market.

Figure 4.2
Achievement of Swaraj tractor Using Sales Promotion



4.1.1.3 Shift from Advertisement to Sales Promotion

As it is obvious that the advertisement focuses on long term achievement and sales promotion focuses on short term achievements, sometimes the organization prefers sales promotion to advertisement and thus shifts from advertisement to sales promotion. To examine under what circumstances, Swaraj tractor has shifted from advertisement to sales promotion, the interviewees are asked on this matter.

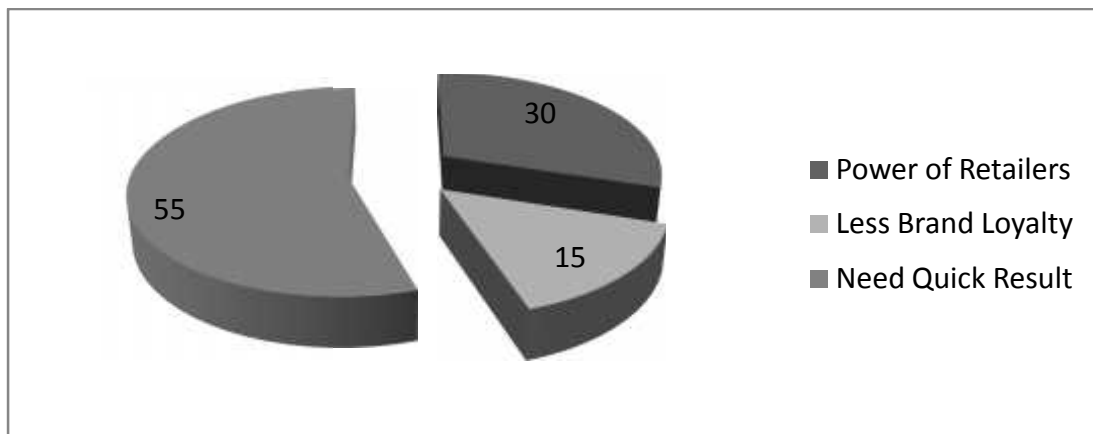
Table 4.3**Shift from Advertisement to Sales Promotion**

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Power of Retailers	3	30	3	30	6	30
Less Brand Loyalty	2	20	1	10	3	15
Need Quick Result	5	50	6	60	11	55
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The table reveals that the reason behind preferring sales promotion to advertisement for promotion by Swaraj tractor is, in most of the cases, due to the hanker of the management to achieve the positive quick result on the buying behavior of the consumers. About 50% of the consumers, 60% of the dealers and 55% of the total respondents have supported this view. Similarly, 30% of the employees, 30% of the dealers and 30% of the total respondents are in the opinion that the Swaraj tractor prefer sales promotion to advertisement in case of the more powerful retailers enforcing the organization to shift the promotional mode. However, 20% of the employees, 10% of the dealers and 15% of the total interviewee have opined that Swaraj tractor shifts from advertisement to sales promotion, if it predicts that the brand loyalty of the organization is debilitating among the consumers. Categorically, it can be said that Swaraj tractor shifts from advertisement to sales promotion mainly due to the desire of achieving quick positive result from the consumers and finally to stimulate the sales growth.

Figure 4.3
Shift from Advertisement to Sales Promotion



4.1.1.4 Method of Sales Promotion in Increasing Sales

Different organizations have different strategy in placing the sales promotion and thus different techniques to increase the sales via sales promotion. To ascertain what methods have mainly followed by Swaraj tractor to stimulate the sales, a short discussion has been made with the interviewees, the result of which is presented in the table below.

Table 4.4
Method of Sales Promotion in Increasing Sales

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
a) Penetration	6	60	6	60	12	60
i) Get More People to Buy	3	30	3	30	6	30
ii) Encourage Brand Switching	2	20	2	20	4	20
iii) Trail	1	10	1	10	2	10
b) Increase Buying Rate	4	40	4	40	8	40
i) Encourage Multiple Purchase	1	10	2	20	3	15
ii) Encourage Repeat	3	30	2	20	5	25

Purchase						
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The table emblazons that both the employees and dealers are in the view that the sales promotion of Swaraj tractor boost up the sales mainly by market penetration and then only by increasing buying rate. About 60% of the employees and 60% of the dealers have stated that the sales promotion augments the sales by market penetration. Among the various penetration method, the Swaraj tractor attempt to get more people to buy the product through its alluring sales promotional campaign. About 30% of the employees and same 30% of the dealers have opined such option. Similarly, the sales promotion of Swaraj tractor also provokes the consumers from switching the rival's brand and be loyal to the product of Swaraj tractor. About, 20% of the employees and 20% of the dealers have asserted this view. Eventually precisely 10% of the employees and 10% of the dealers have stated that the trial tractor offered to the dealers plays crucial role in pushing up the sales of Swaraj tractor.

On the other side, the table displays that 30% of the employees and 20% of the dealers have stated that the repetitive purchase provoked by the sales promotion of the Swaraj tractor to the consumers makes crucial role to boost up the sales. Thus, among the two options of increasing buying rate revealed by the interviewees, the repetitive purchase has more preponderance than multiple purchases. Just 10% of the employees and 20% of the dealers have said that the sales promotion encourages multiple purchases to consumers for ameliorating the sales of Swaraj tractor.

Summarizing the above analysis and analyzing the total responses, it has been ubiquitous that the market penetration occupies greater role in sales promotion of Swaraj tractor in increasing the sales than increase buying rate. 60% of the total respondents have signaled market penetration and 40% have pointed out increase buying rate. Among the various methods adopted by sales promotional campaign in increasing sales, the best method is to concentrate on getting more people to buy the tractor and such option is favored by 30% of the total respondents.

4.1.1.5 Orientation of Sales Promotion

To inquire on whom the sales promotion of the Swaraj tractor is mainly targeted, the respondents are asked on this issue. The responses obtained from them are presented in the below table, which clarifies the orientation of sales promotion.

Table 4.5
Orientation of Sales Promotion

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Consumer Oriented	7	70	6	60	13	65
Retail Oriented	2	20	3	30	5	25
Trade Oriented	1	10	1	10	2	10
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The table shows that the sales promotional campaign ran by Swaraj tractor in the past is mainly consumer oriented and thus it has encouraged consumers to make either repetitive or multiple or experience new purchases as per the view of 70% of the employees of Swaraj tractor. Similarly, as per the view of 20% of the total employees, the sales promotion has attracted retailers to buy more products from the dealers of the Swaraj tractor. Also, 10% of the employees have stated that the promotion of the organization is trade oriented and thus it has focused mainly to attract the dealers of tractor by offering price-off, merchandise allowance, cash reward and others.

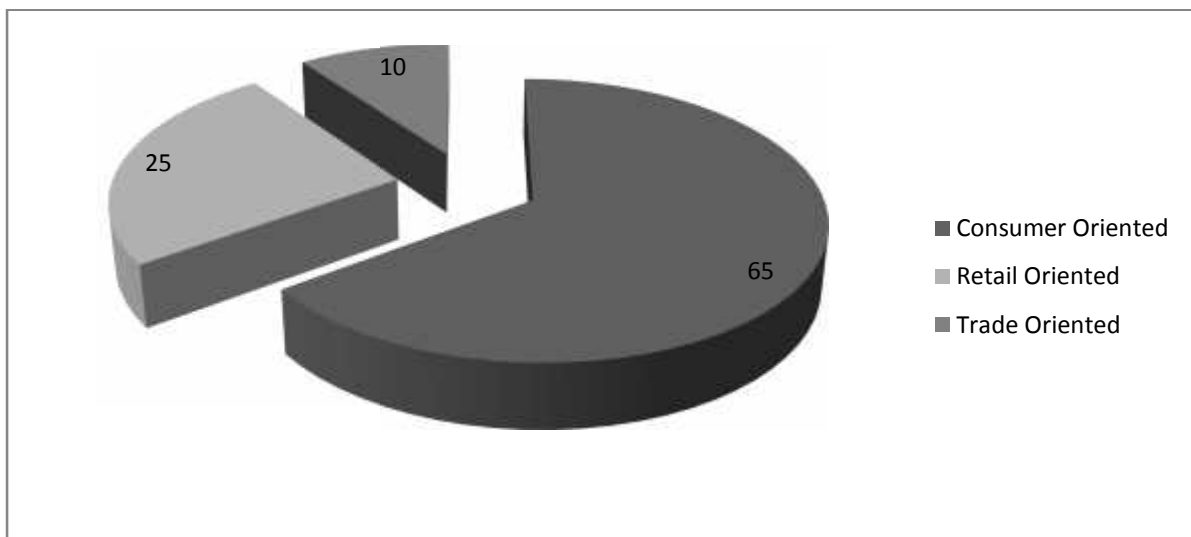
In addition, 60% of the dealers have analyzed that the sales promotion practiced by Swaraj tractor is mainly consumer oriented and thus it has induced the consumers to buy more products by offering coupons, cash rebate and others. Also 30% of the dealers have stated that the sales promotion is mainly retail oriented and thus it has encouraged the retailers to keep more of the Swaraj tractor products. Moreover, 10% of the dealers have experienced the promotion

to be trade oriented and thus it has encouraged themselves in stimulating the sales growth.

Summarizing the analysis, it is verisimilitude to say that one of the promotional tools, sales promotion, of Swaraj tractor is much consumer oriented and thus it has influenced the buying decision of rival's product. About 65% of the total respondents have avowed this fact. In addition, it can be said that the retailer has got less concern than do the consumers, and thus 25% of the total respondents have stated that the sales promotion is retailer oriented. Finally, the dealers have got least concern, and only 10% of the respondents have claimed that the sales promotion of Swaraj tractor is trade oriented.

Figure 4.4

Orientation of Sales Promotion



4.1.1.6 Sales Promotional Tools for Consumers

In the past, Swaraj tractor has used various sales promotion tools to fascinate the consumers toward its product. However, to ascertain which of the promotional tools have remained most successful, the onlookers of the market are asked on this issue.

Table 4.6**Sales Promotional Tools for Consumers**

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Coupons	3	30	3	30	6	30
Cash Rebate	4	40	5	50	9	45
Premiums (Gifts)	1	10	1	10	2	10
Free Samples	2	20	1	10	3	15
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

As per the opinions of the employees, it can be deduced that among the various sales promotional tools adopted by Swaraj tractor, the cash rebate has enticed many consumers for the acquisition of the tractor. About 40% of the interviewed employees have asserted cash rebate as the major successful sales promotional tool adopted by Swaraj tractor. Next to this tool, the consumers have greater affectionate to the scratching of the coupon offered while making purchase. For such promotional tool, 30% of the employees have given preference. However, the provision of providing premiums or gift and free samples has less allured the consumers to buy the tractor and thus consequently have fewer roles to augment the sales. Only 10% of the employees and 20% of the employees of Swaraj tractor have considered premiums (gifts) and free samples respectively as the major sales promotional tools to boost the sales of tractor.

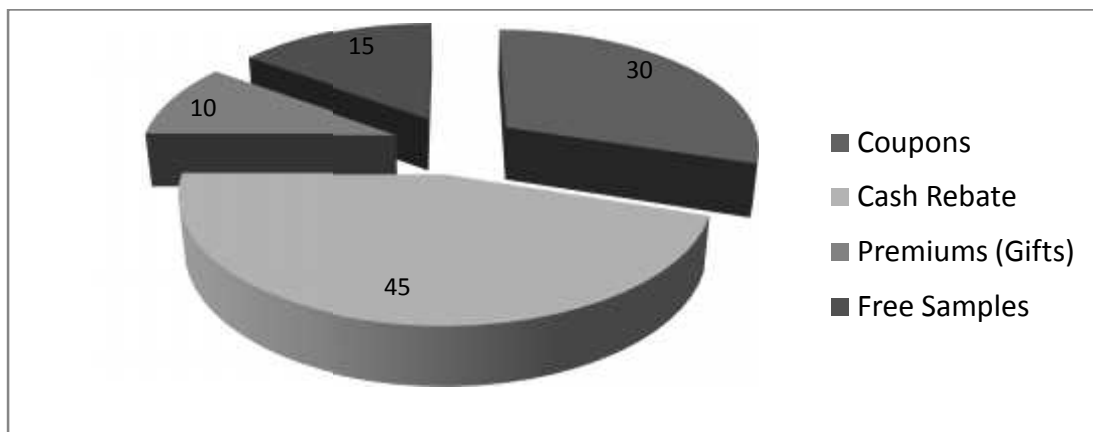
Alike the employees, the dealers of Swaraj tractor have also experienced a high growth in the sales of the tractor whenever the organization has offered cash rebate to the consumers for buying the product. About 50% of the interviewed dealers have considered cash rebate as the best tool of sales promotion of Swaraj tractor to attract the consumers toward its product. Similarly, as per the statements of 30% of the dealers of Swaraj tractor, the consumers have been mostly attracted to buy the tractor due to the lucrative coupon offered by the organizations. Further, it can be inferred that the premiums and free samples proffered to the consumers has trivial impact on the hanker of the consumers to

buy the product, since only 10% of the dealers have experienced the increase in sales due to the premiums and the free samples each.

Analyzing the collected primary data in total, it has been ascertained that the majority of both the employees and dealers of Swaraj tractor have agreed that cash rebate is the most robust sales promotional weapon adopted by the organization to boost up the sales. In total, 45% of the total respondents have strongly affirmed this view. Next to it, the coupon offered by the organization is quite success in fascinating the consumers toward its tractor, and thus 30% of the total respondents have pointed out this promotional tool. Likewise, 15% of the total respondents have considered free samples as the effective sales promotional tools and just 10% of them have considered premiums or gifts as the most effective tools. Nevertheless, on the basis of the majority of each category and the majority in total, it can be categorically deducted that the cash rebate is the most effective sales promotional tool of Swaraj tractor.

Figure 4.5

Sales Promotional Tools for Consumers



4.1.1.7 Sales Promotional Tools for Dealers

The affectionate of dealers and consumers toward the sales promotional tools differs in wide. Thus, to investigate which of the sales promotional tools implemented by Swaraj tractor to make the dealers more loyal toward its

product has been more effective, the respondents are requested to opine their views.

Table 4.7
Sales Promotional Tools for Dealers

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Merchandise Allowance	1	10	1	10	2	10
Traveling Ticket	2	20	1	10	3	15
Cash Award	4	40	5	50	9	45
Price-Off	3	30	3	30	6	30
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The table depicts that the majority of the employees of the Swaraj tractor admit that the dealers of the tractors are highly motivated by the cash award provided by the organization for meeting the sales target. About 40% of the interviewed employees have presented this statement. However, 30% of the employees have opined that the traveling ticket to the abroad vacation offered by the organization is the most motivating factor for dealers to accelerate the sales growth and meet the sales target. Similarly, another 20% of the employees have opined that the price-off on the tractor purchase to the dealers who meet the sales target of the company inspires the dealers. Finally, 10% of the employees have stated that the merchandise allowance offered to the dealers on whose performances the Swaraj tractor has been satisfied is the most inspiring sales promotional tools to the dealers.

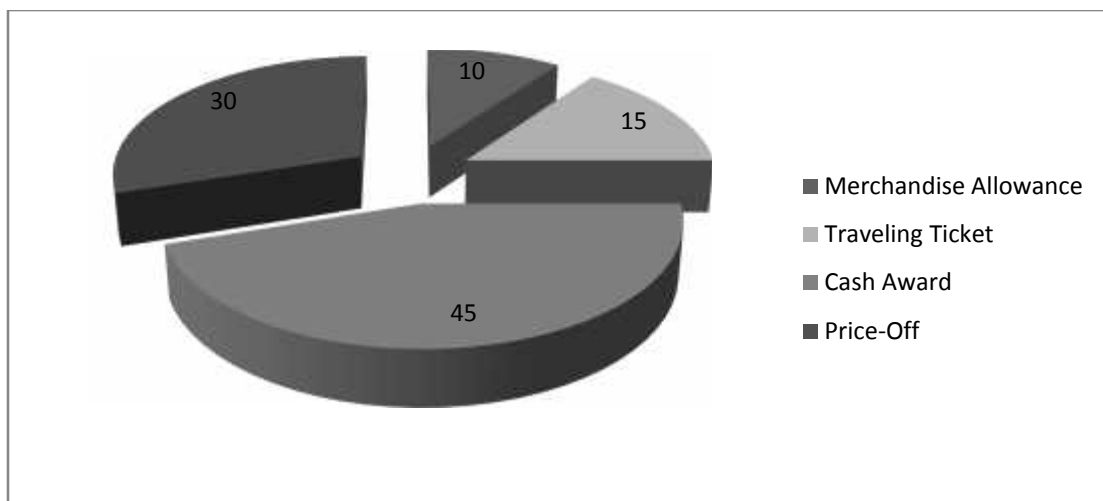
Alike the majority of the employees, the majority of dealers, 50%, also accepted that the cash reward offered by Swaraj tractor to the satisfactory performing dealers is the most enticing sales promotional tool adopted by the organization. However, 30% of the interviewed dealers have shown much affectionate to the price-off on the purchased tractor and considered it as the best sales promotional tools adopted by Swaraj tractor for stimulating the sales growth through the dealers. Similarly, 10% of the surveyed dealers have considered the travelling

ticket to the abroad for recreation as the best sales promotional tools to inspire the dealers for augmenting the sales. Finally, 10% of the interviewed dealers make quest for the merchandise allowance from Swaraj tractor to push up the sales of the organization.

Summarizing the responses in total, it has been ascertained that the dealers of Swaraj tractor are most fascinated by the cash reward proffered by the organization for meeting the sales target, since the majority, 45%, of the total respondents have opined this view. Further, in total, 30% of the total respondents have disseminated that the price-off in the purchased tractor is the most effective sales promotional tool of Swaraj tractor. Also, 15% of the respondents have opined that the travelling ticket for recreational activities provided by the Swaraj tractor to the dealers inspires most. And 10% of the total respondents have stated merchandise allowance is the best sales promotional tools. Deducting the analysis, it can be said that the cash reward is the best sales promotional tools implemented by Swaraj tractor to retain and motivate its dealers and thus it has been accepted by the majority of both employees and dealers.

Figure 4.6

Sales Promotional Tools for Dealers



4.11.8 Basics of Advertisement of Swaraj tractor

Generally, advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It can secure leads for salesman and middlemen by convincing readers to request more information and by identifying outlets handling the product. However, creating advertising is not the simple process. The add maker should consider many basics factors to convey the information. To ascertain on what the advertisement of Swaraj tractor basically concentrates, the interviewees are requested to express their views.

Table 4.8
Basics of Advertisement of Swaraj tractor
Sales Promotional Tools for Dealers

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Competitive Advertising	2	20	2	20	4	20
Retentive Advertising	1	10	1	10	2	10
Informative Advertising	3	30	2	20	5	25
Persuasive Advertising	2	20	2	20	4	20
Reminder-Oriented Advertising	0	0	1	10	1	5
Pioneer Advertising	2	20	2	20	4	20
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

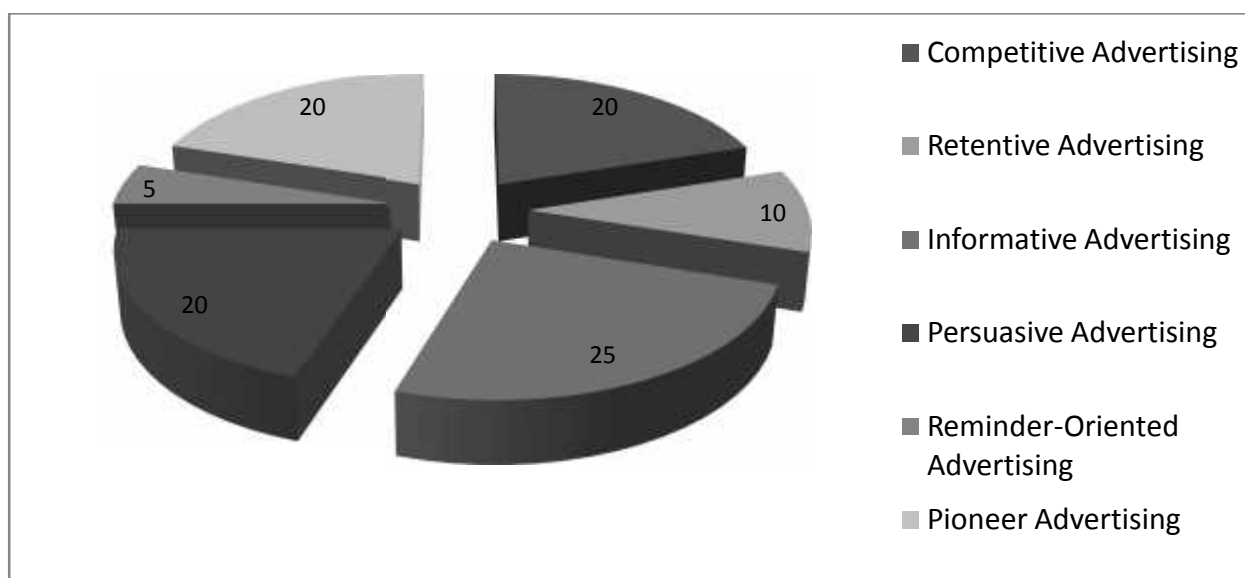
As per the analysis of the respondents of the employees of Swaraj tractor, it has been revealed that the organization mainly tries to flow information about the tractor product and its benefit to the consumers. Thus, 30% of the employees of Swaraj tractor have opined that Swaraj tractor has the practice of making a unique advertisement. Similarly, 20% of the employees have stated that the organization considers the advertisement of the rivals before making a new advertisement and thus places competitive advertisement in the market. Also 20% of the employees have said that the attempt of the organization has always been to attract the consumers by making convincing advertisement that meet their needs. Likewise, 10% of the employees have asserted that Swaraj tractor

creates advertisement that is more intentionally to retain the existing consumers and other parties of market chain.

Similarly, the majority of the dealers believe that Swaraj tractor creates informative and persuasive advertisement. About 20% of the dealers have voted for informative advertisement and other 20% of the dealers stated that they have perceived the advertisement rather persuasive. Likewise, 20% of the dealers have found that the advertisement of Swaraj tractor is rather competitive to give challenge to the advertisement of rivals, while 20% of the dealers have experienced the advertisement of Swaraj tractor rather pioneer. Moreover, 10% of the dealers have insisted that the advertisement is rather retentive enough and thus enables to create brand loyalty. Eventually, only 10% of the dealers have stated that the Swaraj tractor creates rather reminder-oriented advertisement.

Analyzing the responses in total, the advertisement of the organization is categorically informative enough. About 25% of the total respondents have opined this idea. Further, 20% of the respondents have stated that advertisement is rather persuasive enough and thus has aided to stimulate the sales growth. Similarly, 20% of the respondents have perceived competitive advertisement, other 20% of the respondents have experienced pioneering advertisement and another 10% of the respondents have felt retentive advertisement of Swaraj tractor. Finally, only 5% of the total respondents have opined that the advertisement is reminder-oriented. Eventually, it can be concluded that on the basis of the majority of each category and the majority of the total respondents, the advertisement of Swaraj tractor aims to be more informative.

Figure 4.7
Basics of Advertisement of Swaraj tractor



4.1.1.9 Mode of Advertising

Most of the business organizations promote their products by adopting various advertisement modes. Alike these organizations, Swaraj tractor has also used various modes of advertisement, and thus it would be worthwhile for the company if it recognizes the best mode that has been most successful to draw the attention of the consumers toward the products of Swaraj tractor.

Table 4.9
Mode of Advertising

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
a) Digital Advertising	4	40	4	40	8	40
i) Television Advertising	1	10	1	10	2	10
ii) Radio Advertising	1	10	1	10	2	10
iii) Online Advertising	1	10	1	10	2	10
iv) Product Placements	1	10	1	10	2	10
b) Physical Advertising	6	60	6	60	12	60
i) Press Advertising	1	10	1	10	2	10
ii) Billboard Advertising	2	20	2	20	4	20
iii) Mobile Billboard Advertising	1	10	1	10	2	10
iv) In-Store Advertising	1	10	1	10	2	10

v) Street Advertising	1	10	1	10	2	10
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

It has been obvious that the physical advertisement is more effective than the digital advertisement to draw the attention of consumers, as per the experiences of employees and dealers of Swaraj tractor. In total, 60% of the employees and 60% of the dealers have favored physical advertisement. Among the various physical advertisement tools, the billboard advertising more specifically hoarding board advertising has been more effective to draw the attention of consumers about the products of Swaraj tractor. About 20% of the employees and 20% of the dealers have experienced billboard advertisement to be most effective. However the mobile billboard advertising such as the advertisement on the vehicles seems to be less effective in comparison to billboard advertisement, and only 10% of the employees and 10% of the dealers have considered it more effective. Also 10% of the employees and 10% of the dealers have considered street advertisement such as the advertisement in the road divider to be more effective. Further 10% of the employees and 10% of the dealers have assumed in-store advertising, which includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters, eye-catching displays promoting a specific product, is the most fascinating advertising medium. Finally, 10% of the employees and 10% of the dealers have stated that press advertising, which includes advertisement in newspaper, magazine, or trade journal, is the most enticing advertising tools.

While in case of digital advertising, the television advertising has been most effective advertising tools of Swaraj tractor to attract the consumers toward it. About 10% of the interviewed employees and 10% of the interviewed dealers have chosen this tool. Next to the television advertising, it can be inferred that radio advertising is the most effective digital advertising of Swaraj tractor. Precisely 10% of the employees and 10% of the dealers have selected this option. Likewise, 10% of the employees and 10% of the dealers of Swaraj tractor have stated that a product placement, which involves embedding of the product of Swaraj tractor in entertainment and media, for example, in a film, the main character, can use an item or other of a definite brand, is the most effective digital advertising. Finally, just 10% of the employees and 10% of the dealers have avowed that online advertising, which uses the Internet and World Wide

Web for the expressed purpose of delivering marketing messages to attract customers, is the effective digital advertising of Swaraj tractor.

Summarizing the analysis in total, it can be undoubtedly said that the sales stimulation of Asian Paints has been mainly caused by the press advertising. More specifically, among the various forms of press advertising, the billboard advertising, which displays advertisements to passing pedestrians and motorists, and supported by 20% of the total respondents, is the most effective press advertising to entice the consumers toward the product of Swaraj tractor. However, among the various forms of digital advertising, the television advertising that covers 10% of the total responses has also crucial role to inform the consumers about the product of Swaraj tractor and eventually to persuade them to buy the product.

4.1.1.10 Budget Allocation Technique for Advertisement

The Swaraj tractor has been found using the percentage of sales method for allocating budget for sales. However, to know whether the existing should be continued by the organization or should be changed, the question has been raised to understand the opinion of the respondents.

Table 4.10
Budget Allocation Technique for Advertisement

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Profit Maximization	3	30	2	20	5	25
Percentage of Sales	2	20	2	20	4	20
Objective and Task Approach	1	10	1	10	2	10
Competitive Party Approach	3	30	3	30	6	30
Judgment Approach	1	10	2	20	3	15
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The best method for determining advertising expenditure is to identify a relationship between the amount spent on advertising and profits, and to spend that amount of money which maximizes the net profits as per the view of 30% of the employees, 20% of the dealers and 25% of the total interviewees. Since the effects of advertising may be reflected in future sales too, the advertiser

maximizes the present value of all future profits at an appropriate rate. Therefore, a very few advertisers are able to implement the profit-maximizing approach to determine their advertising expenditure.

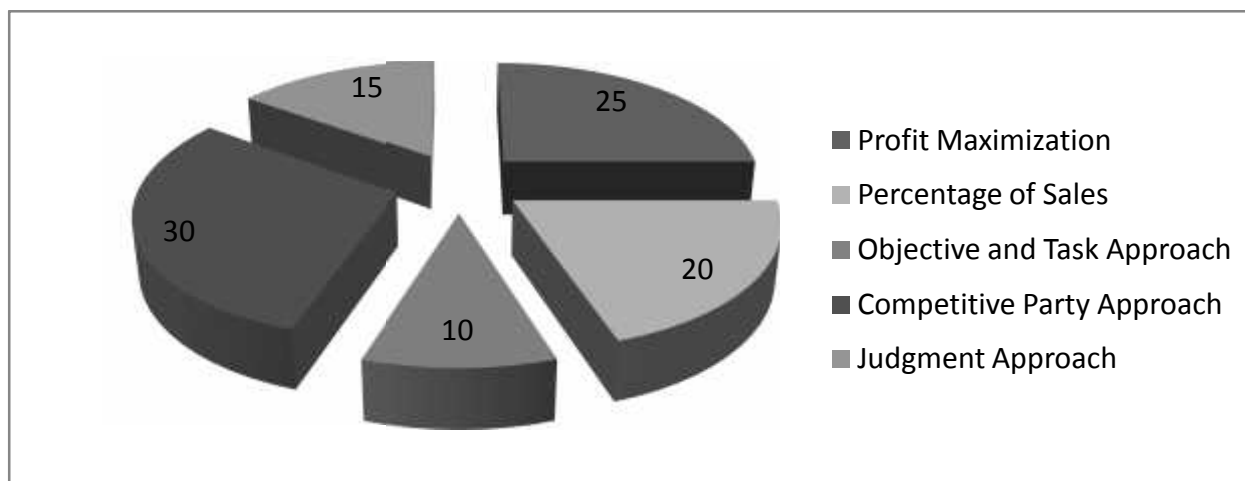
However, 20% of the employees, 20% of the dealers and 20% of the total respondents have opined that Swaraj tractor should continue the existing percentage of sales approach for allocating budget to advertisement. Under this approach, a pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. It is an easy way of minimizing the difficulties of annual budgeting negotiations. It is also safe method as long as competitors use a similar method.

Similarly, the most desirable method is the objective and task approach as per the opinion of 10% of the employees, 10% of the dealers and 10% of the total interviewees. As per them, it is goal oriented. The firm agrees on a set of marketing objectives after intensive market research. The costs of advertising are then calculated. When the resulting amount is within the firm's financial means, it is the advertising budget. Likewise, 30% of the employees, 30% of the dealers and 30% of the total respondents have opined that Swaraj tractor should follow competitive parity approach. Since, this approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry.

Finally, 10% of the employees, 20% of the dealers and 15% of the total respondents suggested judgment approach for the budget allocation of advertisement. As per theme, this method relays upon the judgment of experienced managers. Over the years, some of these individuals develop a feel for the market that permits them to arrive at appropriate decisions, given the organization's objectives and limitations. It is a visual input for the determination of the budget. When the management uses other methods, it should temper them with the judgmental evaluations made by experienced managers.

Summarizing the total responses, it can be inferred that competitive parity approach would be the best method for Swaraj tractor to follow in lieu of percentage of sales method, since the majority of the respondents, 30%, have accorded on this competitive parity approach.

Figure 4.8
Budget Allocation Technique for Advertisement



4.1.1.11 Sales Promotion Vs Advertising

Undoubtedly, the promotional mixes, sales promotion and advertisement, have played a laudable role to promote the business of Swaraj tractor. However, to understand which promotion tool has remained more effective than other, the respondents are asked on this issue.

Table 4.11
Sales Promotion Vs Advertising

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Sales Promotion	3	30	3	30	6	30
Advertising	5	50	6	60	11	55
Difficult to say	2	20	1	10	3	15
Table	10	100	10	100	20	100

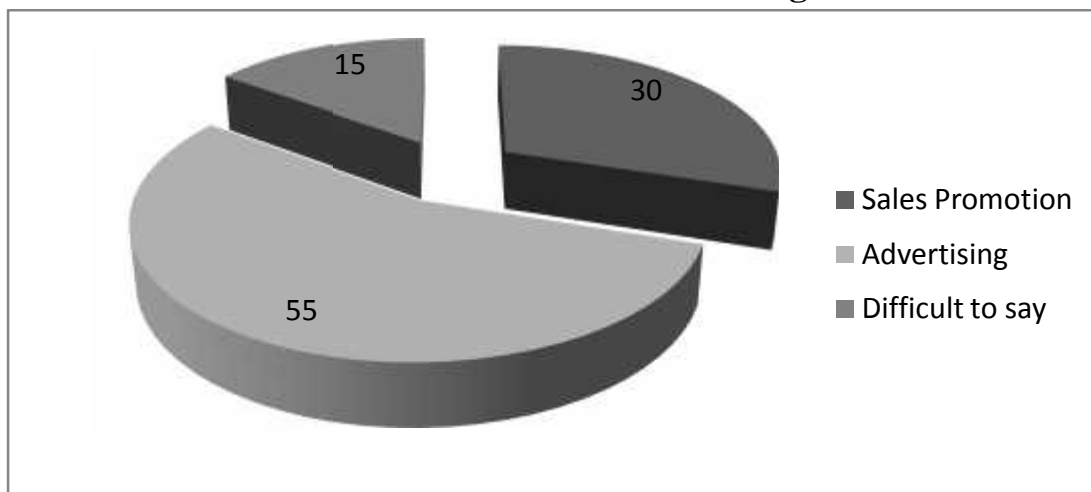
(Source: Field Survey, 2013)

The table enlightens between the promotional mixes, the advertising has been the more effective tool to persuade the consumers to acquire the product of Swaraj tractor as per the experience of 50% of the employees and 60% of the

dealers of Swaraj tractor. Similarly, 30% of the employees and 30% of the dealers have experienced that the consumers are more convinced and allured toward the product by the sales promotional offer of Swaraj tractor. Finally, 20% of the employees and 10% of the dealers have remained quite bewildered and could not distinguish the more effective promotion mix of Swaraj tractor that has stimulated the sales growth.

On the basis of the overall majority and the majority of each category, it can be categorically inferred that the advertising, although it has long term objective, is the more effective promotional tool of Swaraj tractor than the sales promotion. About 55% of the total interviewed respondents have strongly supported this statement. However, only 30% of the total respondents have opined sales promotion to be more effective sales stimulation tool.

Figure 4.9
Sales Promotion Vs Advertising



4.1.2 Analysis of the Responses of Retailers and Consumers

Under this section, the responses achieved from the 10 retailers and 10 consumers of the Swaraj tractor through the conduction of questionnaire that is related to sales promotion and advertising campaign of Swaraj tractor have been analyzed.

4.1.2.1 Most persuading Promotion Mix

To examine the most convincing promotional mixes that have been analyzed in this study, i.e. sales promotion and advertising, to influence the buying decisions of the customers on tractors, the respondents are asked on this issue. The responses obtained from them are presented in the below table.

Table 4.12
Most Persuading Promotion Mix

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Sales Promotion	4	40	4	40	8	40
Advertising	5	50	4	40	9	45
None of Them	1	10	2	20	3	15
Table	10	100	10	100	20	100

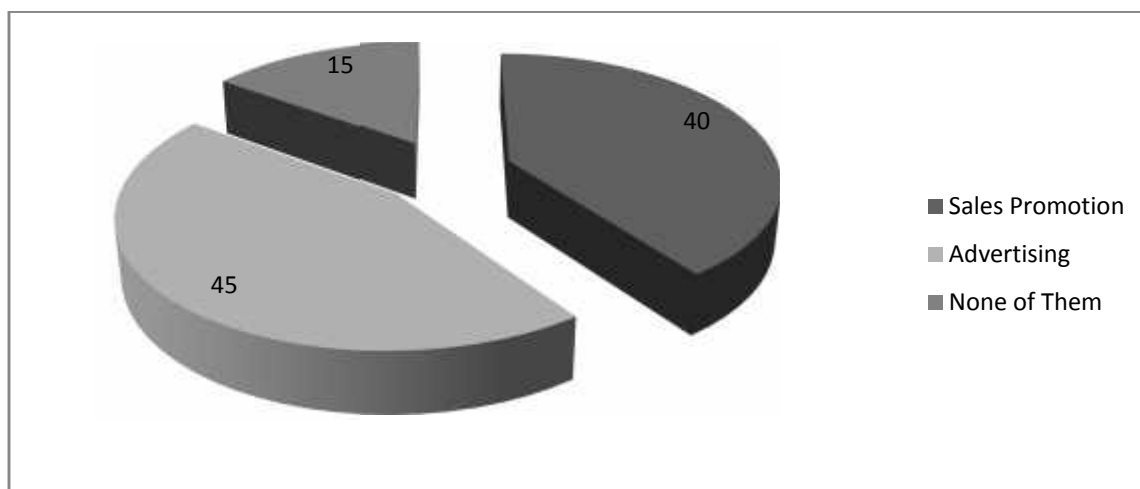
(Source: Field Survey, 2013)

It has been ubiquitous that the advertisement of Swaraj tractor is more effective than the sales promotion campaign to persuade the customers to buy the product. The table shows that 50% of the retailers, 40% of the consumers and 45% of the total respondents have been persuaded more by the advertisement of Swaraj tractor rather than by the sales promotion on order to purchase the tractor of the organization.

Similarly, 40% of the retailers, 40% of the consumers and 40% of the total respondents have opined that they have been more convinced by the sales promotional campaigns, such as coupons, free samples and others, to acquire the product of Swaraj tractor. However, 10% of the retailers, 20% of the consumers and 15% of the total respondents have revealed that they are persuaded neither by sales promotion nor by advertising nor by advertising to buy the product. Instead, they are convinced by the other promotional mix adopted by Swaraj tractor such as personal selling. Nonetheless, it can be considered, on the basis of the majority, that advertising is the most capable promotional mix of Swaraj tractor than sales promotion to persuade the consumers to buy tractor.

Figure 4.10

Most Persuading Promotion Mix



4.1.2.2 Effect of Sales Promotion on Customers

To investigate the post sales promotion effect on the customers in relation to the product of Swaraj tractor, the respondents are asked on this matter. The obtained responses are portrayed in the table below.

Table 4.13
Effect of Sales Promotion on Customers

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Make Multiple Purchase	3	30	3	30	6	30
Make Repetitive Purchase	4	40	5	50	9	45
Leave the Brand	1	10	1	10	2	10
Refer other People	2	20	1	10	3	15
Table	10	100	10	100	20	100

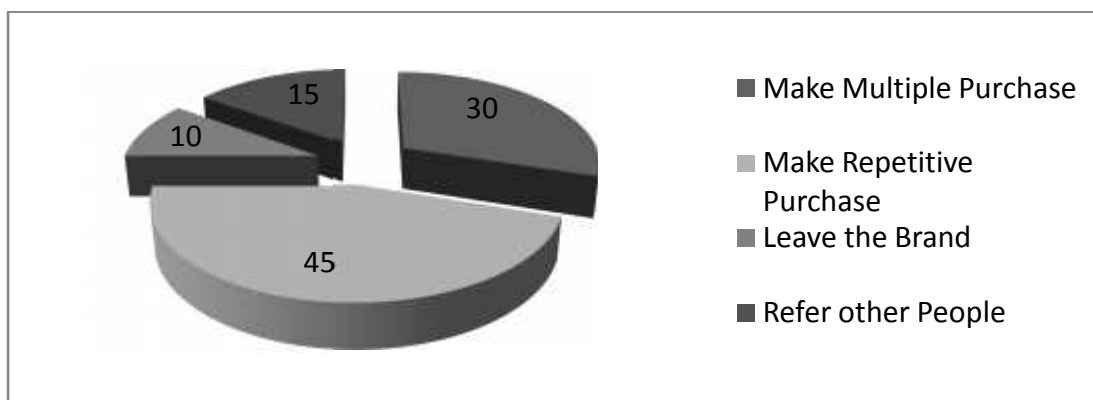
(Source: Field Survey, 2013)

The table reveals that the sales promotion of Swaraj tractor has caused most of the customers to make repetitive purchase of tractors. About 40% of the

retailers, 50% of the consumers and 45% of the total respondents have opined that they have been motivated to make repetitive purchase of the tractors of Swaraj tractor due to the sales promotion of the organization. Moreover, 30% of the retailers, 30% of the consumers and 30% of the total respondents have affirmed that they have made multiple purchases of the tractor due to the sales promotion campaign of Swaraj tractor.

Likewise, 20% of the retailers, 10% of the consumers and 15% of the total respondents have opined that the sales promotion of the Swaraj tractor have inspired them to refer other about the products and the promotional campaigns. However, 10% of the retailers 1% of the consumers and 10% of the total respondents have insisted that the sales promotion of Swaraj tractor did not meet their expectation and thus it has forced them to leave the brand, Nevertheless, it cannot be ignored that the sales promotion of Swaraj tractor is quite effective and thus such promotion has motivated most of the customers to make the repetitive purchase, which inevitably stimulated the sales of the organization.

Figure 4.11
Effect of Sales promotion on customers



4.1.2.3 Tool for Advertisement Identity

While building the advertisement the add maker should pay concentration on the tools that will entice the consumers most. To evaluate which tool aids the

consumer most to identify the ad of the Swaraj tractor, the retailers and consumers are asked to opine their view on the basis of their experience.

Table 4.14
Tool for Advertisement Identity

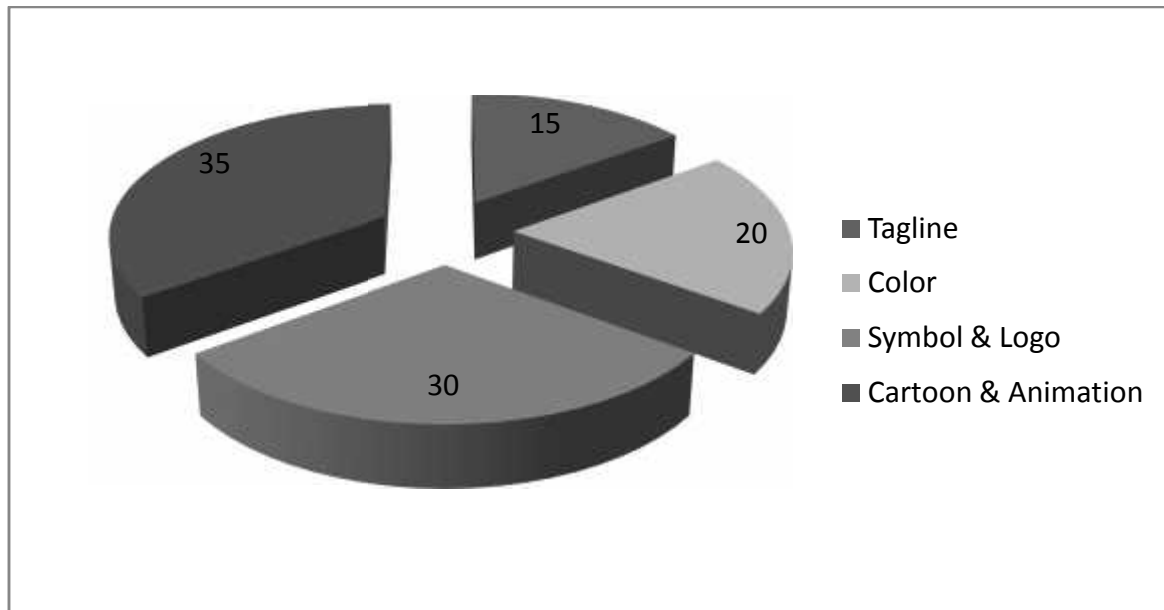
Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Tagline	2	20	1	10	3	15
Color	2	20	2	20	4	20
Symbol & Logo	3	30	3	30	6	30
Cartoon & Animation	3	30	4	40	7	35
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

The above table reveals that the majority of retailers, 30% (3 out of 30), are in the opinion that the advertiser of Swaraj tractors should use cartoon and animation, for instance Buffalo representing Kist Bank, Fido Dido representing 7 up, and so on. In addition, 20% of the retailers have opined that the advertiser of Swaraj tractor should use symbol & logo such as the symbol of Apple product. Further, 20% of them have opined color, as Kodak using yellow, and 20% of them have opined tagline, such as Swaraj tractors using the tagline ‘The Largest tractor Company in India’. Besides them, 3% of the consumers have opined that the advertiser of Swaraj tractor should use symbol & logo, 40% of them have opined cartoon and animation, 20% have stated color, and 10% have affirmed tagline for the identity.

In aggregate, the majority of the respondents, 35% have suggested cartoon and animation, while 30% have suggested symbol and logo, 20% have opined color, and 15% have opined tagline to be used as product identity by the advertiser. Thus, it can be concluded that the advertiser of Swaraj tractor should concentrate more on effective cartoon or animation for the product in order to be easily identified the product by the consumers and build strong loyalty.

Figure 4.12
Tool for Advertisement Identity



4.1.2.4 Driving Force for Brand Loyal on Swaraj Tractor

To evaluate what force keeps the consumers to hold the strong brand belief on Swaraj tractor other than advertisement and sales promotion, the respondents are asked to opine their views on the basis of their experience. The responses obtained from them are presented in the below table.

Table 4.15
Driving Force for Brand Loyal on Swaraj Tractor

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Past Experience	5	50	4	40	9	45
Opinions of Family	1	10	2	20	3	15
Income Level	3	30	3	30	6	30
Reference Group	1	10	1	10	2	10

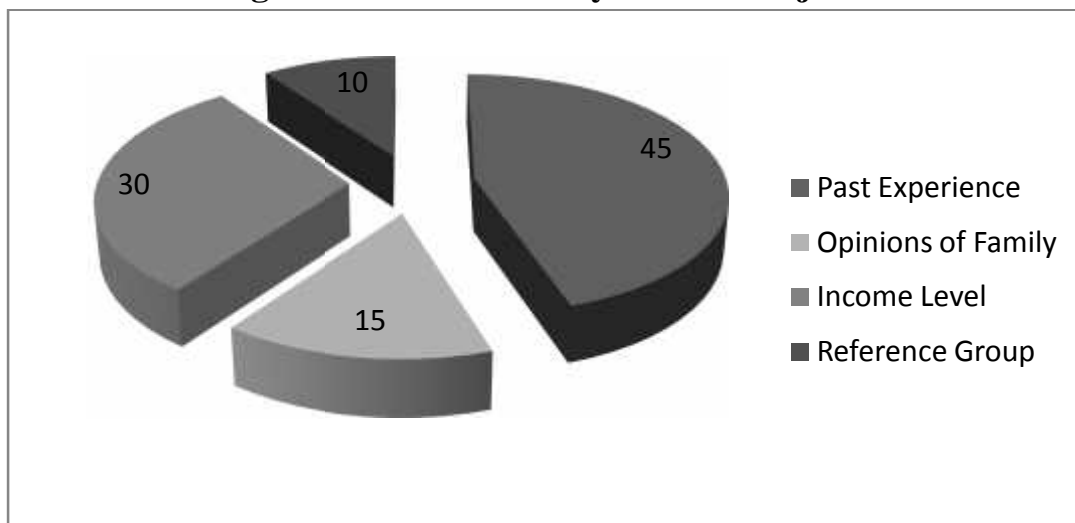
Table	10	100	10	100	20	100
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(Source: Field Survey, 2013)

The table reveals that the majority of each category of respondents, 50% of the retailers and 40% of the consumers has stated that the satisfaction on past usage drives consumers to have brand belief of Swaraj tractor and thus makes loyal. Next to past experience, income level also decides the extent of brand belief on consumers. About 30% of the retailers and 30% of the consumers have supported on the influence of income level in brand belief. Similarly, 16% of the retailers and 20% of the consumers have pointed out the opinions of family as the major driving force to make brand belief. Likewise, 0% of the retailers and 3% of the consumers have stated that the reference group like friends, colleagues and other are the major driving forces for brand belief.

However, in overall, 45%, 15%, 30%, and 10% of the total respondents have pointed out the past experience, opinions of family, income level and reference group respectively as the major driving force to make brand belief. Considering the overall majority and the majority of each group, it can be assumed that the satisfaction level in past consumption is the major driving force to make strong brand belief on Swaraj tractor. Thus, the advertisement builder of Swaraj tractor needs to make the advertisement that truly reflects the quality of the product and thus meet the consumers' expectation.

Figure 4.13
Driving Force for Brand Loyal on Swaraj Tractor



4.1.2.5 Prime Cause for Success of Advertisement of Swaraj tractor

Each company should recognize the prime cause that will buttress the company for being leading and novice in add making. To examine which prime causes is most crucial for the success of advertisement of Swaraj tractor, the respondents are asked on this issue. The obtained responses from them have been presented in the table below.

Table 4.16

Prime Cause for Success of Advertisement of Swaraj Tractor

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Profound Purpose	2	30	2	20	5	25
People Principles	2	20	3	30	5	25
Perfect Processes	3	30	4	40	7	35
Passionate Performance	2	20	1	10	3	15
Table	10	100	10	100	20	100

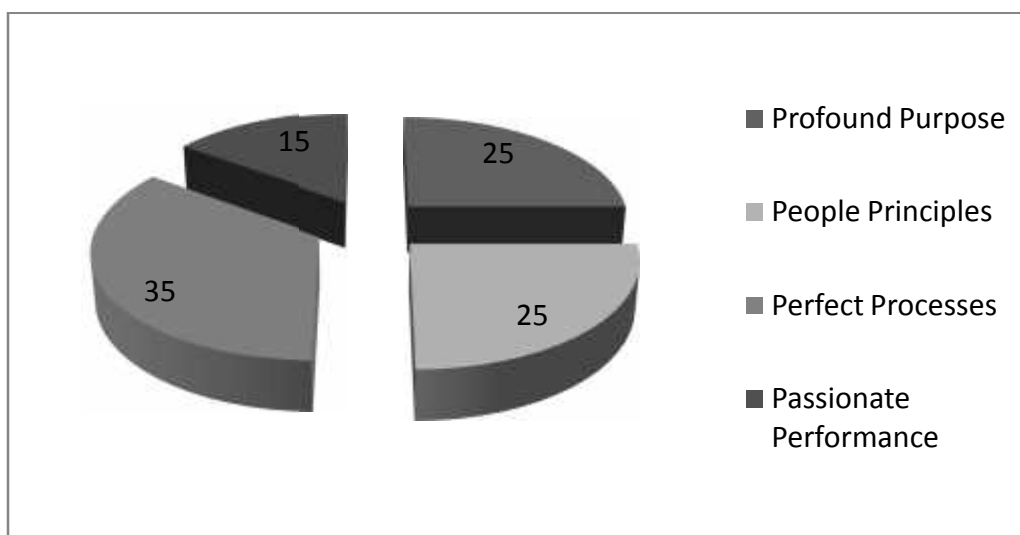
(Source: Field Survey, 2013)

No product can exist unless there is a strong alignment or common purpose amongst its consumers. However, the opinion survey reveals that profound purpose of the product is not the most crucial key for creating paint preference. Only 25% of the total respondents; 30% of the retailers, and 20% of the consumers, have supported this view. Similarly, 5 out of 20 respondents, 20%; 25% of the retailers, and 30% of the consumers, have stated that considering the people principles, that is the advertisement that genuinely respects the culture, ethics and norms of the consumers, is prime cause for success in building advertisement of Swaraj tractor.

Moreover, the majority of the respondents, 35% which involves 30% of the retailers, and 40% of the consumers, have affirmed that perfect processes, i.e. delivering totally and reliably product, with all the expected quality, at the right price and at the right time, is the major prime causes for the success in advertisement of Swaraj tractor. Finally, 15% of the total respondents; 20% of the retailers and 10% of the consumers, have avowed passionate performance, which involves that the advertisement is communicated, designed, made, and delivered in such a way that creates the excitement, attention and respect of customers and consequently their loyalty is the passion, is the major prime cause for success in advertisement of Swaraj tractor.

Analyzing the above analysis, it can be inferred that perfect procession is the prime cause for success in advertisement of Swaraj tractor. However, the significance of other prime causes should not be neglected as well. Thus, the Swaraj tractor would be legendary in building advertisement if they consider these prime causes

Figure 4.14
Prime Cause for Success of Advertisement of Swaraj Tractor



4.1.2.5 Root Cause for Success of Advertisement

The root cause of success in any advertisement relies on the presence of five core competencies. These competencies belong both to great leaders and to leading organizations. The particular mixture of qualities that a particular person or organization demonstrates will vary, as a result of different leadership styles and capacities. Yet some competence in all areas of excellence and special strength in at least one or two of them is necessary for some real success.

Table 4.17

Root Cause for Success of Advertisement

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Imaginative Competence	4	40	3	30	7	35
Social Competence	2	20	2	20	4	20
Organization Competence	2	20	2	20	4	20
Values Competence	1	10	2	20	3	15
Domain Competence	1	10	1	10	2	10
Table	10	100	10	100	20	100

(Source: Field Survey, 2013)

According to the 35% of the total respondents; 4% of the retailers and 3% of the consumers, the advertisement officer of Swaraj tractor should consider imaginative competence of the advertisement while building advertisement. In other word, the advertisement builder should see real possibilities in the real world, for example based on new needs, new technology and new social and business contexts, the advertisement should be built up.

Similarly, 20% of the retailers, 20% of the consumers, and consequently 20% of the total respondents have urged social competence for successful advertisement. When people work together effectively, for example on

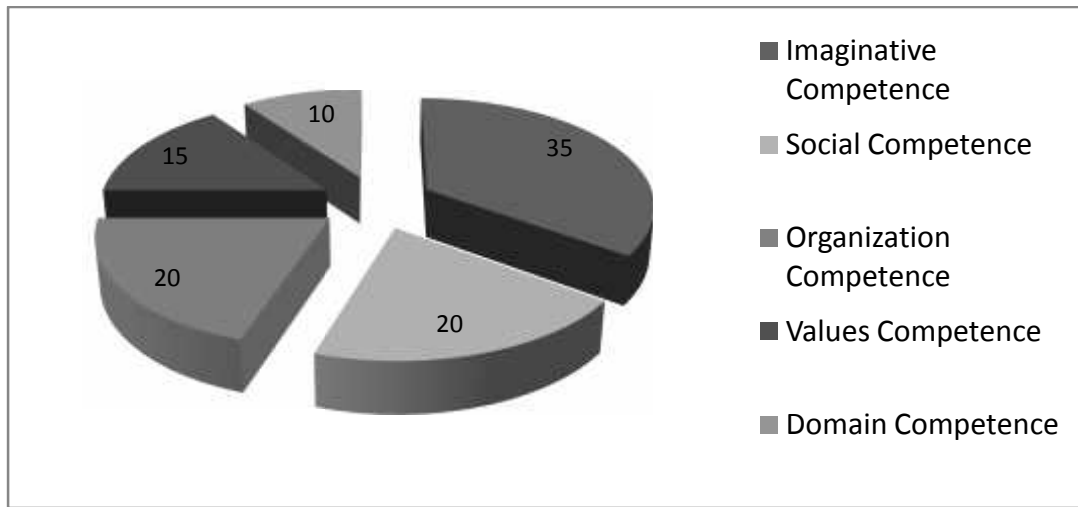
improving processes or the performance of the product and service, then the advertisement is more likely to excel. Social competence naturally spills over into the ability to build better relationships with customers, which in turn leads to loyalty.

Likewise, 20% of the total respondents, which includes 20% of the retailers, and 20% of the consumers, have pointed out organization competence as the root cause for successful advertisement. In other word, the advertisement builder of Swaraj tractor should ensure the organization working effectively, including the skills to evaluate that properly. Further, the marketing leaders should get involved in making the strong relationship of the advertisement with its agencies.

Moreover, 10% of the retailers, 20% of the consumers and eventually 15% of the total respondents have stated values competence as the major root for successful advertisement. Thus the advertisement builder of Swaraj tractor should ensure that the organizational created values create the qualities of the advertisement and the level of customer loyalty. Companies who want to make their advertisement strong can benefit from fostering an internal culture similar to that of the product's qualities. Furthermore, 10% of the total respondents, which involves 10% of the retailers, and 10% of the consumers, have focused on domain competence, which is the recognition of peculiar core competency of the advertisement and fundamentally expertise in such competency, is the major root for success of advertisement.

Finally, it can be considered that the Swaraj tractor should focus on imaginative competency of the advertisement while building it. However, the other root causes should not be totally ignored as well for the success of advertisement.

Figure 4.15
Root Cause for Success of Advertisement



4.1.2.7 Necessity of Good Advertisement

The person who drafts and prepares the copy, must be thoroughly acquainted with the mental process and be imaginative enough to think of words and patterns which may produce at desired effect on prospects i.e., it must create an urge in the minds of prospects to go for the product advertised. To examine what should be considered by the Swaraj tractor most for creating a good advertisement, the respondents are asked on this issue.

Table 4.18
Necessity of Good Advertisement

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Attention Value	2	20	2	20	4	20
Suggestive Value	2	20	1	10	3	15
Memorizing Value	1	10	1	10	2	10
Conviction Value	2	20	2	20	4	20
Sentimental Value	1	10	2	20	3	15
Educational Value	1	10	1	10	2	10
Instinctive Value	1	10	1	10	2	10

Table	10	100	10	100	20	100
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(Source: Field Survey, 2013)

The table manifest that 20% of the retailers, 20% of the consumers and 20% of the total respondents have suggested that for being the advertisement of Swaraj tractor perfectly good, it should possess attention value, which means the advertisement copy must attract the attention of the potential consumers. The copy should be planned, drafted and displayed so ingeniously that it may compel even the most casual or involuntary reader to notice it and read it with interest. Similarly, 20% of the retailers, 10% of the consumers and 15% of the total respondents have stated that the advertisement of Swaraj tractor should possess suggestive value, which means the advertisement should suggest the use and the utility of the product that may remain inscribed on the mind of the reader even when he forget where he really saw the advertisement. Slogans, pictures, phrases and suggesting may be used for this purpose.

Moreover, 10% of the retailers, 10% of the consumers and 10% of the total respondents have emphasized on the memorizing value of the advertisement of Swaraj tractor. This means that the copy of the advertisement should be so drafted and laid out that the product will stick to the mind of the individual reader. Pictures and photographs confirming to the suggestion will have tremendous memorizing value. In addition, 20% of the retailers, 20% of the consumers and 20% of the total respondents have suggested conviction value for having the advertisement well. An advertisement copy can prove effective and achieve the desired end when the suggestion contained in it is backed by convincing arguments.

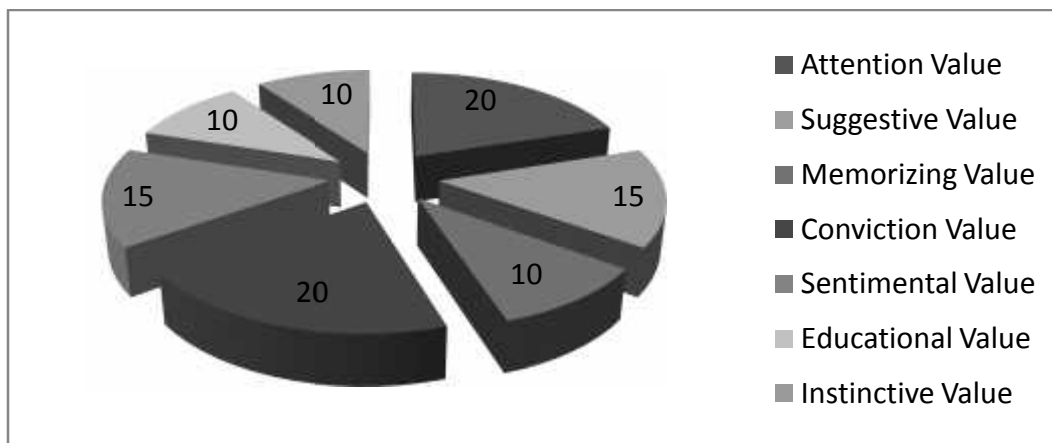
Likewise, 10% of the retailers, 20% of the consumers and 15% of the total respondents have stated that the advertisement should possess sentimental value. Since, sentiments play a very important role in advertising. Sentiments reflect the personal feelings and attitudes of an individual towards various things. Besides these, 10% of the retailers, 10% of the consumers and 10% of the total respondents have focused on education value. As per them, a good copy of advertisement must possess educative value because the object of modern advertising is not merely to satisfy the existing demand but to create future demand.

Finally, 10% of the retailers, 10% of the consumers and 10% of the total respondents have stated that the good advertisement should possess instinctive

appeal value. As per them, human thoughts and actions are guided by instincts and inclination. Instincts are the underlying forces which compel the men to act in certain ways. Nonetheless, the most important function of an advertisement copy is to induce, persuade and motivate the prospects to think well of a product and to take to its use. Advertising, essentially, is the motivation of the potential consumer and for this purpose; thus the advertiser of Swaraj tractor should attempt to make an appeal to some basic instincts to get success in motivating the prospects.

Figure 4.16

Necessity of Good Advertisement



4.2 Secondary Data Analysis

Under this section, the data that are related to sales and the promotional mixes, mainly sales promotion and advertisement, extracted from the reports of Swaraj tractor have been analyzed.

4.2.1 Sales of Subsidiary Company Nepal to Total Sales of Swaraj tractor

Under this section, the past five year sales of subsidiary company Nepal of Swaraj tractor and the proportion of subsidiary’s sales to the total sales, in concomitant with the growth ratio has been analyzed to highlight the role played by the subsidiary company Nepal in stimulating the total sales of Swaraj tractor.

Table 4.19
Sales of Subsidiary Company Nepal to Total Sales of Swaraj Tractor

Fiscal Year	Sales of Subsidiary Company Nepal	Total Sales	Ratio	Growth
2008	58	800	7.25	-
2009	53.46	825	6.48	-0.77
2010	58.95	900	6.55	0.07
2011	47.70	750	6.36	-0.19
2012	64.34	910	7.07	0.71
2013	108.56	1180	9.20	2.13
Mean	65.17	894.17	7.15	
S.D.	20.06	139.27	0.98	
C.V%	30.78%	15.58%	13.74%	

(Source: Annual Reports of Swaraj tractor)

The table depicts that the turnover of Swaraj tractor, subsidiary company, and the turnover of Swaraj tractor has increased in each observed fiscal years. The sales of Swaraj tractor Nepal has increased from 58 cores in the fiscal year 2008 to 108.56 corers in the fiscal year 2013. In average, Swaraj tractor Nepal has been able to sale the tractor worth 65.17 corers within the six fiscal year periods. Similarly, the total sales of Swaraj tractor has been increased from 800 crores in the fiscal year 2008 to 1180 corers in the fiscal year 2013. In average, the Swaraj tractor has been able to sale valuing 894.17 corers all over the world. Moreover, the sales of Swaraj tractor Nepal to total sales of Swaraj tractor has oscillated within the six year periods and thus it has ranged from 7.07 in the fiscal year 2012 to 9.20 in the fiscal year 2013. Nevertheless, it can be concluded that Swaraj tractor Nepal is the most successful business in the tractor industry in Nepal, and thus it has the wide market coverage than any other tractor of the nations.

4.2.2 Selling and Advertising Expenses to Sales of Swaraj tractor

Under this part of the study, the selling and advertising expenses incurred by Swaraj tractor has been analyzed in order to stimulate the sales growth. Further the proportion of selling and advertising expenses to sales of Swaraj tractor has also been analyzed to ascertain the representation of observed promotional expenses on total sales.

Table 4.20
Selling & Advertising Expenses to Sales of Swaraj Tractor

Fiscal Year	Swaraj Tractor Selling & Adv. Exp.	Swaraj Tractor Sales	Ratio	Growth
2008	2.18	58	3.76	-
2009	2.25	53.46	4.21	0.45
2010	1.95	58.95	3.31	-0.90
2011	2.15	47.70	4.51	1.20
2012	2.34	64.34	3.64	-0.87
2013	5.16	108.56	4.75	1.11
Mean	2.67	65.17	4.03	
S.D.	1.12	20.06	0.46	
C.V%	42.06%	3.78%	11.52%	

(Source: Annual Reports of Swaraj tractor)

The table reveals that the cost on sales promotion and advertising of Swaraj tractor product in Nepal has been increased in each fiscal year. The expenses on advertising and sales promotion in Nepal have increased from 2.18 corers in the fiscal year 2008 to 5.16 corers in the fiscal year 2013. In average, the subsidiary company Nepal has defrayed 2.67 corers with the variation of 42.06% . More specifically, it has been ascertained that, however, the percentage of selling and advertising promotional expenses on total sales of the company has oscillated during the periods. At the inception of the observed periods, the ratio is 3.76%, and then it has increased to 4.21%, and then decreased to 3.31%, again

increased to 4.5% and finally decreased to 3.64%. It seems that although the company has used percentage of sales method to allocate the budget for advertisement, the company has remained unable to predict the sales; as a result, it has ultimately affected the ratio of selling and advertising promotional expenses to total sales.

4.3 Major Findings of the Study

Summarizing the analysis, the following major findings have been drawn;

A) Findings from Primary Data Analysis

a) Findings from Employees and Dealers of Swaraj tractor

* 38% of the respondents have revealed that Swaraj tractor has mainly understood and utilized the sales promotion to offer extra value to the consumers. Further 50% of the respondents have stated that the company has boosted sales growth using the sales promotional campaign in the past.

* In case of the requirement of quick result, Swaraj tractor has the practice of shifting from advertisement to sales promotion. About 68% of the respondents have revealed this fact. Similarly, 35% of the respondents have stated that the company utilizes sales promotion to get more people to buy the product and ultimate to stimulate the sales.

* 58% of the respondents have asserted that the sales promotion of Swaraj tractor is mainly consumers oriented and thus fulfills the expectation of consumers on the product. Similarly, 55% of the respondents have stated that the cash rebate sales promotional tools has been most effective to fascinate the consumers. Likewise, the dealers of the paints are most motivated by the cash reward.

* 27% of the respondents have stated that the advertisement of Swaraj tractor much more informative. Further, physical advertising is more effective than digital advertising in conveying information to the consumers.

* It has been found that Swaraj tractor is using percentage of sales method to allocate the budget for advertisement. However, 27% of the

respondents have suggested Swaraj tractor to adopt competitive parity approach for budget allocation to advertisement. Finally, 68% of the respondents have stated that the advertisement of Swaraj tractor more effective than the sales promotion.

b) Findings from Retailers and Consumers of Swaraj tractor

* Also 64% of the respondents have opined that they are much more persuaded by the advertising rather than by sales that they have usually made repetitive purchase due to the affectionate of sales promotion of Swaraj tractor

* 36% of the respondents have suggested Swaraj tractor to use cartoon and animations while making advertisement so that they can easily identify the advertisement of the company. Further, 50% of the respondents have stated that the past experience with the Swaraj tractor have made them more loyal to the company.

* Similarly, 32% of the respondents have opined that the perfect processing of the product as per the advertisement is the prime cause for the success of advertisement of Swaraj tractor. And 30% of the respondents have stated that the capability of Swaraj tractor in building imaginative competency in the add is the root cause for the success of advertisement. Finally, 28% of the respondents have stated that the advertisement of Swaraj tractor should consider more on the conviction value to enhance the sales growth.

B) Findings from Secondary Data analysis

* In each fiscal year the sales of Swaraj tractor Nepal has increased and thus it has reached to 108.56 corers by the end of the fiscal year 2013. However, the representation of sales of Swaraj tractor Nepal on the sales of Swaraj tractor has fluctuated. Within the six year periods, the ratio is 7.15% in average.

* Similarly, in each year the cost on advertisement and sales promotion of Swaraj tractor Nepal has been increased and thus it has been 5.16 corers by the end of the fiscal year 2013. In average, the two observed promotional expenses has represented 4.75% of the total sales of Swaraj tractor Nepal.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Promotion is one of the four elements of marketing mix (product, price, promotion, distribution). It is communication link between sellers and buyers for the purpose of influencing, informing, or persuading a potential buyer's purchasing decision. The specification of four elements creates a promotional mix or promotional plan. These elements are personal selling, advertising, sales, promotion, and direct marketing. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive, relations, or creation of a corporate image. Fundamentally, however there are three basic objective of promotion. These are: to present information to consumers as well as others, to increase demand and to differentiate a product. There are different ways to promote a product in different areas of media. Promoters use internet advertisement, special events, endorsements, and newspapers to advertise their product. Many times with the purchase of a product there is an incentive like discounts, free items, or a contest. This is to increase the sales of a given product. Among the various element of the promotion and advertisement is considered the most crucial.

Sales promotion is one of the four aspects of promotional mix. Media and non-media marketing communication are employed for a pre-determined., limited time to increase consumer demand, stimulate market demand or improve product availability. Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmick by many. However, advertising is a form of communication intended to persuade an au audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer. To persuade a target market to purchase or to consume that particular brand. These messengers

are usually paid for by sponsors and viewed via various media. Advertising messengers are usually paid by sponsors and viewed via various media. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action.

Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the mind of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement.

Various organizations use different modes of sales promotion and advertisement after analyzing the market conditions. In addition, each company has different views in outweighing between sales promotion and advertising. However, the present study, since concerned with the tractor business, analyzes the sales promotion and advertising of swaraj tractor. For this, the tries to understand the opinions of personnel of also analyzes the annual report of the organization.

5.2 conclusions

Swaraj tractor has mainly understood the sales promotion as the mode for offering extra value, such as price-off, coupon, merchandise allowances, to the consumers and the other parties of the market chain. Such understanding has aided swaraj tractor to accelerate sales growth using the sales promotional campaign in the past. It can be further stated that in case of the requirement of quick result, swaraj tractor has the practice of shifting form advertisement to sales promotion. Sales promotion has facilitated swaraj tractor to get more people to buy the product and to ultimately stimulate the sales. Thus, it can be inferred that sales promotion of swaraj tractor is mainly consumers oriented and thus fulfills the expectation of consumers on the product. Among the various sales promotional tools, the cash rebate sales promotional tools has been most effective to entice the consumers. However, the dealers of the tractor are most motivated by the cash reward. In addition to sales promotion, the advertisement of swaraj tractor is much more informative. Among the various types of advertisement, however, physical advertising is more effective than digital advertising in conveying information to the consumers. To allocate the budget

for advertisement, the certain percentage of sales method is effective. However, a dissection of the respondents has stated that swaraj tractor should adopt competitive parity approach for budget allocation to advertisement. Finally, it can be stated that advertisement is more effective than swaraj tractor to persuade the consumers for buying the product.

Analyzing the responses of the respondents, it can be substantiated that the retailers and consumers more persuaded by the advertising rather than by sales promotion of swaraj tractor. However, the alluring of sales promotion of swaraj tractor has obliged them to make repetitive purchase. The use of animations in advertisement facilitates the consumers, both literate and illiterate, to recognize the product more easily, and the past satisfaction on the product has made the consumers and dealer loyal to the swaraj tractor. Similarly, the perfect processing of the product as per the advertisement is the prime cause for the success of advertisement of swaraj tractor. And the ability of swaraj tractor in building imaginative competency in the add is the root cause for the success of advertisement. Eventually, the advertisement of swaraj tractor should consider more on the conviction value to enhance the sales growth. Further, with the aid of sales promotion and advertisement, swaraj tractor has been able to increase the sales growth in each fiscal year. However, the representation of sales of swaraj tractor in parsa district on the sales of swaraj tractor oscillated. Similarly, in each year the cost on advertisement and sales promotion of swaraj tractor has been increased

5.3 Recommendations

On the basis of the major findings and the conclusion drawn, the following recommendations have been provided for the enhancement of the promotional mix of swaraj tractor;

-) The advertisement of swaraj tractor should emphasize not only to the conviction value but a lot to the attention value, suggestive value, memorizing value, educational value and instinctive value as well.
-) Swaraj tractor should use the effective tool for the ease identification of brand. Since not all consumers are literate, the organization should consider these consumers while making an effective advertisement.

-) Though the company has practiced percentage of sales method for allocation budget for advertisement, the swaraj tractor should adopt competitive parity approach, as per the implications of the majority of respondents, or other method, whichever is best in various market situations.
-) Both the modes of advertising, digital advertising and physical advertising, are equally effective in their scope to convince the consumers about the products. Thus, swaraj tractor should have good harmony between these two modes for achieving the optimum promotional mix.
-) Categorically, swaraj tractor should use sales promotion for the immediate achievement in sales acceleration, while the company should use advertisement for the long term capture of the market.
-) The sales promotion tool of swaraj tractor should use market penetration, which embraces as quest of more people to buy, encouraging brand switching of the product and trail product, for seizing the tractor market.
-) Although the sales promotion of swaraj tractor is consumer oriented, the company should persistently practice the consumer-oriented sales promotion to the retail oriented and trade oriented sales promotion.
-) Swaraj tractor should examine and modify, if necessary, the management processes for establishing strategic promotional objectives and for seeing that specific promotion plans have both objectives and plans to ensure that the strategic objectives are met.
-) Swaraj tractor should more effectively integrate sales and marketing operations, utilizing both organizational structures to facilitate integration and operating procedures to enforce/encourage the kind of consultation that would lead to better integration.
-) Swaraj tractor should enhance promotional learning by establishing a database of key facts about promotions as they were actually executed and by becoming effective users of the rapidly growing body of methods

for measuring promotional effectiveness in affecting retailer behavior and consumer behavior.

) Besides being profit oriented, the reputed organization is also accountable to the society, if it intends to sustain in the long run. Thus, the company should be socially liable into the future as well for the mutual benefit of both the organization and agriculture field.

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District development committee parsa report {2069/070}

Omini outomobiles of swaraj tractor in birgunj branch,parsa.

APPENDIX-1

Questionnaire for customers:

- 1. Do you know “swaraj” is brand of tractor?**
 - a. Yes
 - b. No

- 2. Which brand of a tractor does your opinion?**
 - a. Swaraj
 - b. Mahindra
 - c. Shaktiman
 - d. Messey

- 3. If you were to purchase a tractor, which brand would be your first choice?**
 - a. Shaktiman
 - b. Mahindra
 - c. Swaraj
 - d. Messey

- 4. What type of sales promotion do you think is more effective that regulated high sales?**
 - a. Business Promotion
 - b. Trade Promotion
 - c. Consumer promotion

- 5. Which factor do you suggest is more important to motivate dealer that increase the sales of tractor?**
 - a. Good after sales service
 - b. Good profit margin
 - c. Effective advertising
 - d. Attractive sales promotion

- 6. Which of the following sales promotion tools have remained most effective for consumer promotion?**
 - a. Cash rebates
 - b. Coupons
 - c. Premium

- 7. Which of the following promotional tools have persuaded you more to buy the products of Swaraj tractors?**
 - a. Sales promotion
 - b. Advertisement
 - c. None of the

- 8. Which of the following tools should be widely used to build advertisement?**
 - a. Tagline
 - b. Color
 - c. Symbol and logo

d. Cartoon and animation

9. Under what condition the company prefers sales promotion to advertisement?

- a. Power of retailers
- b. Less brand loyalty
- c. Need quick result

10. Finally, between the two promotional mixes, i.e. Sales promotion and advertising, which has been more able to increase the sales?

- a. Sales promotion
- b. Advertising
- c. Difficult to say

Thank you for your kind co-operation

APPENDIX-2

Available tractors in Parsa Distric

S.N.	Name	Made
1.	Swaraj tractor	India
2.	Mahindra tractor	India
3.	Shaktiman tractor	
4.	Messey ferguson	
5.	Power track	India
6.	(Force) Balwan	
7.	Indo farm	
8.	HMT	
9.	Sonalika	
10.	New Holland	
11.	Samme	India
12.	Dur FAAR	
13.	John Deer	India







