

IMPACT OF PROMOTIONAL STRATEGIES ON CONSUMER BEHAVIOUR WITH REFERENCE TO MARUTI-SUZUKI AND HYUNDAI'S CAR USERS

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Abstract: The present study elaborates distinct promotional strategies used by car manufactures and also identifies its influence on consumer buying behavior with reference to car purchase. Thus, in this specific context, the present research is based on very appealing organizational questions, such as what are the factors considered by the consumer in the process of purchase of a car. The purpose of this research is to contribute to knowledge on marketing strategies issues related to automotive industry. The study was conducted on 500 car users with the help of questionnaire method. The results stated that promotional strategies play an important role in buying decision of consumers.

I. INTRODUCTION

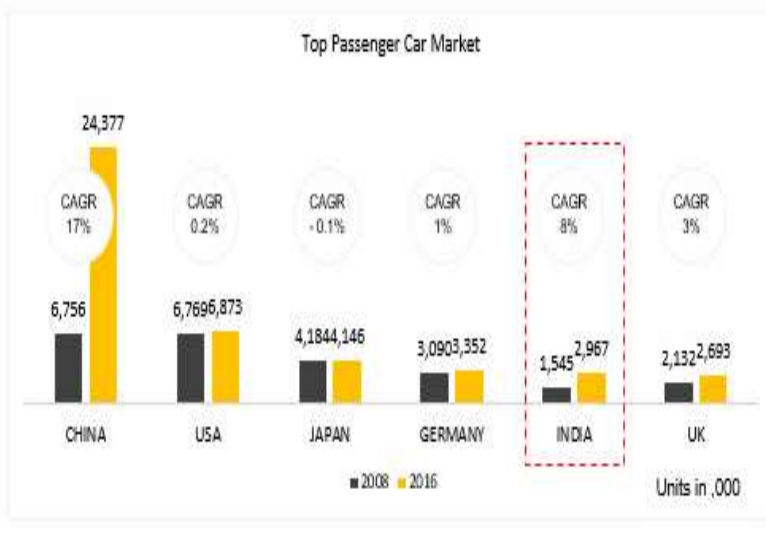
There is a mounting body of work on consumer behavior with reference to car purchase which demonstrated an imperative association between promotional strategies adopted by car selling companies and its impact on purchase behaviour of consumers. In spite of the massive wideness of the literature on the significance of Marketing strategies and its impact on consumer behavior in general, and to a thoughtful of Car Manufacturer in particular, research studies of Consumer buying behaviour, promotional strategies used by car selling companies and impact on sales are not well integrated. This research work is in the form of 'ex-post-facto' study in which the researcher tried to study the existing perceptions of consumers regarding the different promotional strategies adopted by car manufacturers and its impact on their purchases of cars; without manipulating in any way the scenario as it stands presently. The present study tries to unfold the answers of the budding questions such as how Product decision process is influenced by marketing communication? Whether promotional strategies always have a positive impact on consumers?

Thus, the study is largely descriptive in approach. And this requires the need of a research in this area to explore the present situation of use of promotion mix by car manufacturer companies, various factors of marketing strategies and its impact over the buying behaviour of consumers.

2. LITERATURE REVIEW

.The Economic progress of this industry is indicated by the amount of goods and services produced which give the capacity for transportation and boost the sale of vehicles. There is a huge increase in automobile production with a catalyst effect by indirectly increasing the demand for a number of raw materials like steel, rubber, plastics, glass, paint, electronics and services (Role of Automobile Industry in Indian Economy, 2014). The automobile industry in India is

world's third largest, with the country currently being the world's seventh largest commercial vehicle manufacturer. The Indian Automobile industry includes two-wheelers, trucks, cars, buses and three-wheelers which play a crucial role in growth of the Indian economy. India has emerged as Asia's fourth largest exporter of automobiles, behind Japan, South Korea and Thailand. The country is expected to top the world in car volumes with approximately 611 million vehicles on the nation's roads by 2050.



Source: ACG Databank Retrieved from:

<http://www.autobei.com/autoreports/passenger-vehicle/passenger-vehicle-product-and-market-analysis/>

Figure 1 Top Global Passenger Car Markets

As per the statistics revealed by the Autobei consulting group in the above figure 2.4, China is the largest car market with CAGR of 17% in last 10 years. Indian car market is expected to grow by 4 percent CAGR and it will touch around 8 percent CAGR by 2023. The market size of the passenger car segment may touch around 5 million units by 2023 (Passenger Vehicle Product and Market Analysis, 2017).

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Analyzing the factors that influence consumer behaviour and their buying decision-making process is not just the work of big corporations (Ailawadi K, Beauchamp JP, Donthu N, Gauri DK, Shankar V, 2009), but also of professionals looking for the key areas of marketing studies. According to (Blattberg RC, Neslin SA, 1990) Sales promotion has direct influence on the consumers buying behaviour, which is an act focus-promoting instance. According to a research study conducted by Ghafran Ashraf (2014), consumers buying behaviour and sales promotion can be stimulated through a variety of essentials, consisting of promotion techniques such as free samples, price discounts, social surroundings and physical surrounding (Familmaleki M et. al., 2015).

Through these results, one of the major implications of this research is that firms can increase sales by offering the right promotional tools to attract trial customers. Therefore organizations should carefully plan their promotional strategies, and allocate promotional budget over the different promotion tools, giving preference to the more effective tools (Familmaleki M et. al., 2015).

Therefore promotional strategies are immense in nature and hence important for every type of company to increase the sales and create its image.

3. OBJECTIVE OF THE STUDY

The main objectives of the proposed study are as under:

- To identify different sources of information used by the buyers and their role in taking purchase decisions;
- To evaluate the purchase behaviour of the consumers;
- To assess the role of promotion in the context of the Consumer Behaviour
- To consider the range and potential impact of marketing communications
- To establish a need for marketing communications
- To suggest measures in improving the present system of Human Resource Management in Indian Railways.

A number of specific research questions and issues emerged and were further refined in the course of developing the research design.

4. METHODOLOGY

4.1. RESEARCH DESIGN

Research design selected for the study is descriptive in nature, where the objective is to study respondents' perception towards promotional strategies adopted by car manufacturer and its impact on their buying behaviour.

4.2. DATA COLLECTION

Data collected for the present research based on quantitative approach, where data would be collected by survey technique using structured questionnaire from the car owners of Jodhpur city.

4.3. SAMPLE SIZE AND SAMPLING TECHNIQUE

The sampling technique in this research was convenient sampling. The sample selected for the study was the respondents owing a car in the Jodhpur city.. Sample size was kept 500, out of which 478 filled the questionnaire properly. Thus the effective sample size was 478 for the analysis.

4.4 HYPOTHESES FOR THE STUDY

Hypotheses framed for the study are as follows:

H1: Product decision process is influenced by marketing communication.

H2: Promotional strategies always have a positive impact on consumers.

The hypotheses are framed in order to determine the impact and influence of promotional strategies over the consumer's buying behaviour with special reference to cars.

4.5 LIMITATIONS OF THE STUDY

Due to time and resource restraints in this study, the survey method was chosen. The survey was done with the help of structured questionnaire. The questionnaire survey was conducted within the Jodhpur city only, thus the findings may not

be fully representative of the whole. Although whole analysis was based on discussion in a predefined and structured manner but still recording of some facts may be altered according to the knowledge base of researcher.

5. FINDINGS

The estimated sample size was 500 respondents, of these, 480 completely filled questionnaires were verified, checked and matched manually. The questions and responses were coded and entered in the computer using SPSS. The variables were coded in SPSS and certain statistical methods were applied on the data to get the results which are analyzed. The present section depicts the key findings on the basis of the research and analysis parts designed for the research.

Hypothesis testing, statistical test applied, its assumptions and suitability for test have been explained in the following sections. Below are the hypotheses framed and their respective test description also in order to be analyzed to find out the stated objectives of the research. The stated hypotheses revolve around independent ordinal variables i.e. positive impact, product decision factors. These variables were tested with the help of Spearman Rank Correlation and One Sample Median Test.

5.1 HYPOTHESIS ONE

The hypothesis one stated that “Product decision process is influenced by marketing communication”. The hypothesis framed for statistical reference as:

H_{01} – There is no significant impact of Marketing Communication on Product Decision Process.

H_{a1} - There is a significant impact of Marketing Communication on Product Decision Process.

In order to test this hypothesis, spearman rank correlation test was used. The Spearman's rank-order correlation is the nonparametric version of the Pearson product-moment correlation. Spearman's correlation coefficient, (ρ , also signified by r_s) measures the strength and direction of association between two ranked variables. In present study, two ranked variables are used to test the above stated hypothesis; these variables are Potential to Influence and product decision factors. The variable potential to influence was measured on five point Likert scale and seeking for the perception of respondents towards the affectivity of marketing communication. Another variable named product decision factors was created using the summation of all the factors of product decisions such as Country of Origin, Price of Car, Fuel Consumption, Power, Driving Comfort, Size (Capacity), Colour, Safety, Loan & Payment Facility, After Sale Services, Brand Popularity, Advanced Technology, Interiors, Exteriors, Maintenance and discount and exchange offers. Sub-factors used under Product-Decision variables were measured on same scales i.e. five point likert scale and these sub-factors scores were summated. Summated scores values are used in spearman rank correlation. It is also worth noting that a Spearman's correlation can be used when your two variables are not normally distributed. It is also not very sensitive to outliers, which are observations within data that do not follow the usual pattern. Since Spearman's correlation is not very sensitive to outliers, this means that we can still obtain a valid result from using this test when we have outliers in our data. The result of the Spearman Rank Correlation is given below:

Table 1 Spearman Rank Correlation

Correlations			Potential to Influence	Product Decision Factors
Spearman's rho	Potential to Influence	Correlation Coefficient	1.000	.671**
		Sig. (2-tailed)	.	.000
		N	478	478
	Product Decision Factors	Correlation Coefficient	.671**	1.000
		Sig. (2-tailed)	.000	.
		N	478	478

** . Correlation is significant at the 0.01 level (2-tailed).

The results are presented in a matrix such that, as can be seen above in table 1, the correlations are replicated. Nevertheless, the table presents Spearman's correlation, its significance value and the sample size that the calculation was based on. Test is executed at 95 percent level of confidence, hence .05 is level of significance. In the table, we can see that Spearman's correlation coefficient, r_s , is 0.671, and that this is statistically significant ($p = .000$). There is a positive correlation between both the variables, which was statistically significant ($r_s = .671$, $p = .000$). Therefore, it can be concluded that Marketing Communication's Potential to Influence and Product Decision Factors are positively correlated.

5.2 HYPOTHESIS TWO

The hypothesis three stated that "Promotional strategies always have a positive impact on consumers". The hypothesis framed for statistical reference as:

H_{02} – The population represented by the sample for the Promotional strategies always have a positive impact on consumers has the expected distribution.

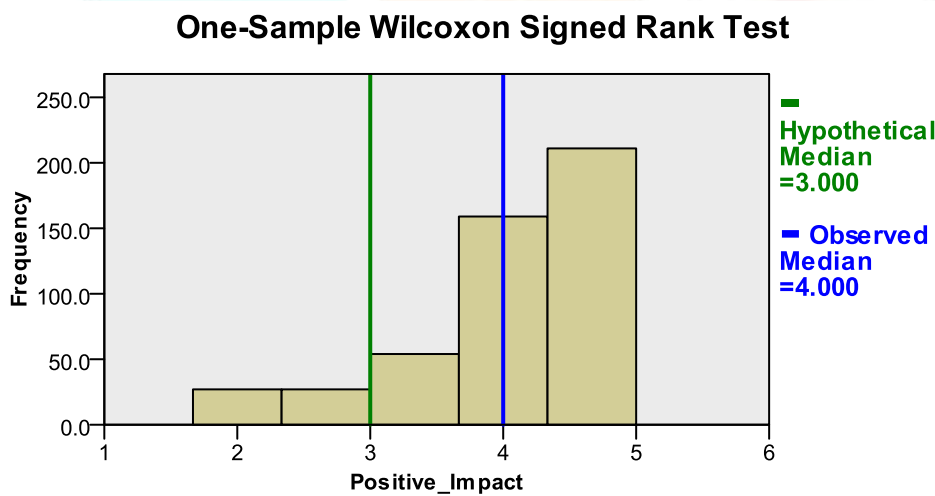
H_{a2} - The population represented by the sample for the Promotional strategies always have a positive impact on consumers is different from the expected distribution.

Hypothesis two is tested with the help of one sample median test; it is also called one sample Wilcoxon signed rank test. One-sample Wilcoxon test tests that the distribution in the population is symmetric around the value. More technically, that the sum of two randomly chosen deviations from the value has equal probability to occur positive or negative. The one-sample Wilcoxon test can also be handled as a special case of the Wilcoxon matched pairs test, with the second variable being a constant value equal to the null hypothesized value against which you want to test (IBM, n.d.). To identify whether the population represented by the sample has the expected distribution across the categories of the variable, hypothesized median value used for the hypothesis testing is 3. Use of Likert scale with the numeric value from 1 to 5 produces median value to be 3 for the test, as the objective. Assumptions for this test are that it is applied when data are not normally distributed. For the present research, data is non-normal distributed, hence suitable to apply. Median values are preferred for ordinal variables and the present datasets is ordinal scaled and hence median value is appropriate to select for test. Therefore, the dataset for present research satisfies all the assumptions.

There were three variables used namely effective source, potential to influence and help to select. Under this head, three statements were included in order to measure the positive impact of marketing communication strategies on consumers for selecting or purchasing a car. The statements are as follows:

- Advertisements and other promotions as an effective source to get the information about different brands of car.
- Information shown in the TV commercials and through other promotional ways helped you to select or purchase cars.
- Marketing Communication (Such as TV Advertisements, Newspaper Advertisements, Public Events, Sponsorship, and Car Launch Announcements) has a potential to influence to buy a car.

Respondents were asked questions on these statements in order to measure the positive impact variable. The responses were recorded in Likert scale, where the '1' stated "Strongly Disagree" and "5" stated "Strongly Agree". To measure positive impact, three of the statements were summated and positive impact scale was prepared using their means scores. The mean scores of these three variables created the scale of positive impact. The positive impact scale is also an ordinal scale because of the three variables' properties. The tests results are shown below:



Total N	478
Test Statistic	108,298.000
Standard Error	2,984.823
Standardized Test Statistic	17.106
Asymptotic Sig. (2-sided test)	.000

Figure 2 Positive Impact: One Sample Median Test

We can see from the figure 5.31 that we have a Significance value (also called p value) of .000, which means $p < .05$. Thus we reject the null hypothesis at 5 percent level of significance and accept the alternative hypothesis as median value is 4 which is higher than hypothetical median value that is 3. Therefore it is interpreted that at median level 4 sample populations perceived that promotional strategies have a positive impact on consumers.

The both null hypotheses were rejected and alternative hypothesis were accepted at 95 percent level of confidence. The test results were significant and supported the intended objective of the research. The result of the hypotheses testing is summarized in the below table:

Table 2 Summary of Hypothesis

Hypothesis	Test Applied	Level of Significance ($p < .05$)	Acceptance/Rejection	Output
One	Spearman Rank Correlation	$P=.000$	Null Hypothesis Rejected	Marketing Communication's Potential to Influence and Product Decision Factors are positively correlated.
Two	One Sample Median Test	$P=.000$	Null Hypothesis Rejected	Promotional strategies have a positive impact on consumers

The present statistical results show that consumers perceive promotional strategies, used by car manufacturer for the promotion of their respective brand, positively. They consider the information provided by companies in marketing communication programs, useful for their buying decisions. Thus consumers responded positively towards marketing communication strategies used by the companies and consider it as an important source in buying decisions of the cars.

6. SUGGESTIONS AND CONCLUSION

This present research attempts to analyze the impact of promotional strategies on Consumer Behaviour. It has become apparent that marketing communication activities has imperative role in the buying of passenger cars as confirmed by this research as well as precedent researches also. But still the connection between marketing communication activities and consumer behaviour is not easily comprehensible due to the influence of several other variables in deciding the impact such as demographic variables like age, gender, education, income level etc; need and willingness to buy the product; preference towards the marketing communication; reliability on the information provided by these marketing communication activities; availability of such products in the consumer's place; previous satisfaction level; and role of reference group. The most important questions are how companies can continue being competitive in the speedy revolution that takes place in the business of automotive. The important factor is getting to know the customers, therefore

the more knowledge of customer data shapes the marketing communications and advertising message that is created. Therefore realizing the customer need in context to the information supplied on the marketing communication is also seems very significant.

It is recommended that companies should use the marketing communication channels that will help in generating exclusive selling proposals. The majority of the research and interaction stated that sales personnel play a vital role in the marketing communication efforts during walk-ins, outdoor selling, and shopping displays as part of personal selling. For advertising, it is considered that celebrity endorsement is a most popular mode of communicating the features of the brand. In the time of internet boom, social media can also an important source of promoting the brands. Thus companies can design it marketing communication theme using integrated concept of marketing communication and employing a Variety of the strategies and thereby keep on influencing the consumer's buying decisions.

7. CONCLUSION

Understanding the customer's satisfaction of the product will help the automobile manufacturers in developing their products to meet customer's needs and designing the proper marketing programs and Strategy. The research is done for better understanding of the relationship between the customer buying behaviour and information from mass media towards the purchase evaluation at various stages of purchase decision.

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