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# **A Study on Promotional Strategies and its impact on Consumer Buying Behaviour at Indian Automobile Industry- with Special Reference to Four-Wheeler Segment in Mysore District**

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## **I. INTRODUCTION**

India became the fourth largest auto market in 2018 with sales increasing 8.3 per cent year-on-year to 3.99 million units. It was the seventh largest manufacturer of commercial vehicles in 2018. The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile exports grew 14.50 per cent during FY19. It is expected to grow at a CAGR of 3.05 per cent during 2016-2026. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020. The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Two-wheelers are expected to grow 9 per cent in 2018.

The advertising or marketing communications industry in India has come of age. From a bare Rs.2000 crore in 1995, by the beginning of 2005, the industry has grown into a Rs.12000 crore business and its future forecasts excellent growth. For the year 2005, the industry growth is estimated at 12%. About 80% of revenue is coming in from traditional sources and 20% from non-publicizing sources. An excitement blast has brought about numerous organizations enlisting more than 40% developments in that fragment. Versatile correspondence (SMS and MMS) has developed as a huge income stream for offices. Coordinate showcasing and intuitive are the popular expressions, reflected in the 21% development of Ogilvy One, O&Ms quickest developing division. Men, Women and youngsters everywhere throughout the world are today impacted by some degree like publicizing and different types of advancement. Associations in both private and open segments have discovered that the capacity to convey viably and productively with their intended interest groups is basic for their achievement in any business. Publicizing and other kind of limited time messages are utilized to pitch items and administrations and also to advance social causes, advertise political competitors, and manage societal issues like liquor and medication mishandle. Shoppers are discovering it progressively hard to keep away from the attempt of advertisers, who always scanning for better approaches to speak with them like the latest use of the internet and mobile phones. Stealth messages and product visuals are even embedded into movies and popular TV programmes.

A promotional strategy methodology implies contriving and actualizing special and coordinated correspondence programs and focusing on potential guests segments with branding, pictures and key messages. The destinations are regularly to make clients mindful, inspire their advantage, motivate them to surf the web, send item leaflets, call coordinate or go to travel specialists in their general area. The promotional mix consists of "The particular mix of publicizing, deals advancement, advertising, individual offering, and direct marketing instruments that an organization uses to seek after its promoting and promoting objectives".

Promotion mix is additionally called the marketing communications mix. Communication is an important function in marketing, and constitutes one of the 4ps of the marketing mix, i.e., promotion, the other three being product, price and place. It carries out the errand of informing the target customers about the nature and type of products and services available, their unique features and benefits, uses, prices and places they are available. Marketing communications are persuasive in nature, aimed at influencing the consumer behaviour in favour of a company's product offerings. The marketing success of any product, whether it is toothpaste, TV or car, depends to a large extent on appropriate use of the promotion mix by the companies.

A key segment of advancement is publicizing and promoting is generally a standout amongst the most obvious components of an incorporated marketing correspondences program. "Publicizing is paid, non-individual correspondence transmitted through media, for example, TVs, radio, magazines, daily papers, standard mail, open air showcases and cell phones. Because of the headways of innovation, the web has come to be one of the quickest developing publicizing mediums while more customary types of promoting, for example, daily papers, radio, magazines are battling with constrained or no development in advertisement incomes.

consumer behaviour is the procedure and exercises people take part in when scanning for, choosing, obtaining, utilizing, assessing and discarding items and administrations in order to fulfil their requirements and goals" The choice procedure and physical action people take part in when assessing, gaining, utilizing or discarding merchandise and enterprises. As customer it is imperative since we advantage from bits of knowledge into our own particular utilization related choices. What we purchase, why we purchase, how we purchase and the limited time impact that convince us to purchase. As advertiser and future advertisers, it is vital for us to perceive why and how people settle on their utilization choices, with the goal that we can settle on better vital marketing choices.

#### A. Indian Consumer

About 25% of the total consumers are concentrated in the urban centres and 75% live in rural areas of the country. Within the urban segment, there is a tremendous concentration of consumers in the metros. Besides the metros, consumer concentration is also seen in the 4000 odd towns as well. The rural consumers are spread over the 5 lakh odd villages in the country. Indian consumers, as a whole, spend about 60% of the total consumption expenditure goes on food items, consisting of cereals and cereal substitutes, milk products, sugar, edible oils, meat, eggs and fish. About 11% of the total expenditure goes for medical care, furniture, appliances and services, recreation and education, and miscellaneous goods and services. Indian consumer's population presents a great diversity in terms of religion, language, culture, living styles and income levels. This diversity naturally leads to variations in the consumption patterns and buying behaviour. There is also a marked variation in consumption patterns and buying behaviour. There is also a marked variation in consumption between the urban consumers and the rural consumers of the country.

#### B. Nature of Indian Consumers

There is the world and there is India, a puzzle for quite a long time. For advertisers, it is a test and an open door. Just a staunch pessimist would not bet on India in the long haul.

#### C. Characteristics of Indian Consumers

- 1) High level of significant worth introduction which has named Indians as the most observing purchasers on the planet. Indeed, even luxury brands like Swatch need to plan an interesting evaluating technique for India.
- 2) High level of family introduction. Truth be told, this stretches out to the more distant family and companions too. Brands with characters that bolster family values have a tendency to be solid.
- 3) Values of sustaining and care are significantly more prevailing than estimations of aspiration and accomplishment.
- 4) Besides brain research and financial matters, the play of history in forming the Indian purchasers conduct is very extraordinary.

## II. NEED FOR THE STUDY

This study is intended to find the different advertisement strategies have on consumer and which factor influence more for the consumer during buying behaviour. The basic extent of the review is to know and understand about different promotional strategies adopted by automobile sector. Every purchasers need social creature, the taste inspiration, require and so on. The automobile sector has challenges from various areas to create good image in the market, the sector has focused much on promotional strategies to build awareness and to create good demand for product by understanding the consumer behaviour towards purchasing.

## III. LITERATURE REVIEW

Dr. P. Parimaladevi (2014) "A review on effect of limited time procedures on shopper purchasing conduct at Shopping Mall". It is found that the examination that greater part (78.67%) of the respondents careful of the limited time exercises in the shopping centers. 22.67% of the respondents are influenced by media ad. What's more, 33.33% of the respondents are especially happy with the limited time exercises at shopping centers.

Asifmehmood (2014) "The Impact of the Promotional Tools on Consumer Buying Behaviour: A Study from Pakistan" They discovered positive clients state of mind towards different advancement equipment on purchasing conduct. The review state that buyers purchasing conduct can be motivate through different sorts of components, including advancement systems.



Ms.Shallu (2013) "Effects of Promotional Activities on the Consumer Buying Behaviour: A Study on Cosmetic Industry" The use of VIP supports has been affirmed to bring about more great notice evaluations and positive item advancements.

Zhanting Yang (2009) "The effect of special exercises on client acquiring conduct at TESCO LOTUS". Advancements can be exceptionally successful methods for influencing purchaser conduct and pushing buyers to the last step of making a buy. Buy one-get one advancements are among the most loved and fruitful advancement pleasant by shopper.

Abdul MalekTushar "Analysing an Impact of special exercises on shopper buy Decision (John Lewis)". The organization sort out fashion shows and give advertisement in the event of presenting new plan and dress for the ladies buyers' here buyers can without much of a extend now the item points of interest through their promotion and get more detail in the organization website'

#### A. Research Objectives

- To study the impact of promotional strategies on consumer buying behaviour.
- To identify the various factors of promotional strategies that influence consumer buying behaviour.

#### B. Hypothesis

- H0: There is no significant relationship between the promotional strategies and consumer buying behaviour.
- H1: There is significant relationship between the promotional strategies and consumer buying behaviour.

### IV. RESEARCH METHODOLOGY

#### A. Type of Research

The type of research used for the proposed study is "DESCRIPTIVE RESEARCH" which helps to describe the promotional strategies on consumer buying behaviour. Descriptive Research is a study that depicts the participants in an accurate way. This research helps to discover the unknown facts about the study. It involves collection of data which provides description about individuals or groups or situations.

#### B. Sampling Technique

The type of sampling technique used for the proposed study is "PROBABILITY SAMPLING". This type of sampling technique gives individual equal chances of being selected. This method ensures that in the population they have equal chances of being selected.

#### C. Sampling Method

The type of sampling method used for the proposed study is "SIMPLE RANDOM SAMPLING". This is a technique where the researcher selects from the large population a group of samples for the study and here every individual have equal chances of being selected.

#### D. Sample Size

The sampling unit taken for this study is customers in Mysore. The sampling size used for the proposed study is 100.

#### E. Type of Data to be used and its source

- 1) Primary data: Primary data is collection of original information by the researcher. Primary data is very useful when the researcher investigates a specific problem in the study.
- 2) Questionnaire method: It is a set of questions which contains choices for answering. It gives the researcher clear idea as to how to depict the data analysis and interpretation part from the answers given by the respondents to carry out the study.
- 3) Secondary data: Secondary data is collection of information which has been already collected by others for their study. It gives ready information about a particular topic which can be used by the researcher for the study. Secondary data can be found on internet, newspapers, journals etc.

#### F. Statistical Tests to be used

##### Statistical Tools

The statistical instruments utilized for this investigation

- Reliability Test
- Correlation

- Factor analysis
- Regression

## V. RESULT AND DISCUSSION

### A. Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.804	30

#### Interpretation

From the above table it has been showed that the reliability test has been done using Cronbach's Alpha. The Cronbach's alpha is 0.804 for the 30 items which means the data is reliable to the extent of 80% which is good sign for the study in the same area and is considered "acceptable".

#### Hypothesis

H0: There is no significant relationship between the promotional strategies and consumer buying behaviour.

H1: There is significant relationship between the promotional strategies and consumer buying behaviour.

### B. Correlation

Correlations			
		PS	CBB
Promotional Strategy	Pearson Correlation	1	.666**
	Sig. (2-tailed)		.000
	N	100	100
Consumer Buying Behavior	Pearson Correlation	.666**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

#### Interpretation

Correlation is done in order to know whether there is a significant relationship between Promotional strategy and Consumer Buying Behaviour. From the above the sig 2 tailed is .000 it is understood that there is a significant impact of promotional strategy on consumer buying behaviour is a positive 66.6%. Since the significant value is .000 which is less than 0.05 hence the null Hypothesis (H0) can be rejected and alternative hypothesis (H1) can be accepted.

### C. Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666 <sup>a</sup>	.443	.438	.34247

Interpretation: The model summary results reveal that exists the positive correlation between Promotional strategy and consumer buying behaviour. The R square of the model is 44.3% which indicates the variation in consumer buying behaviour is predicted by variation in promotional strategy to the extent 44.3%.

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	9.153	1	9.153	78.042	.000 <sup>b</sup>
Residual	11.494	98	.117		
Total	20.647	99			

a. Dependent Variable: CBB

b. Predictors: (Constant), PS

#### Interpretation

The above ANOVA table show the model of fit is 78.042 the significant value as .000. It indicates that regression model comprising consumer buying behaviour is dependent variable and promotional strategy is independent variable has statistically significance.

#### D. Factor Analysis

Rotated Component Matrix								
	Component							
	1	2	3	4	5	6	7	8
Advertisements change my perception about the product.	.735							
Customers buy Automobile products after watching its advertisements.	.627							
Customer think promotional activities are must automobile to attain success.	.557							
Product promotions of automobile have influenced purchase of product.		.754						
TV advertisement has long lasting impact in purchasing.		.725						
Radio advertisement has long lasting impact in purchasing decision		.475					.405	
Print media(Newspaper, Magazines) advertisement has long lasting impact in purchasing			.631					
Pamphlet advertisement has long lasting impact in purchasing decision.			.615					
Mobile billboards advertisement has long lasting impact in purchasing.	.450		-.609					
Celebrity endorsement influence me to buy automobile products	.416		.443					
Loan facilities factors would influence customers in purchasing decision				.781				
Discounts motivate me purchasing process in terms of products.				.635				
Latest trend motivates me purchasing process in terms of automobile.					.661			
Resale value factors would influence customers in purchasing decision					.651			
Availability of spare parts factors would influence customers in purchasing decision	.447				.587			
Customers more likely to buy a product when they give free accessories with the product.						.775		
Customers more likely to buy a product after I try it.						.606		
Customers more likely to buy a product after seeing a demonstration of the product.							.808	
Price factors would influence customers in purchasing decision							.485	
status in the society has made me to buy automobile								.925

#### Interpretation

Factor 1<sup>st</sup> and 2<sup>nd</sup> Psychological

In this Latest trend (0.735), Recommending on Past experience (0.627) and Quality (0.557) latest trend and past experience influence more to the consumer to buy product. (0.754)Resale value, (0.725) after sale service and (0.475) Status in the society.

#### Factor 3<sup>rd</sup> and 5<sup>th</sup> Motivation

The internal factors like Stylish (0.631), Demonstration (0.615), and Mail about offers (0.450) and Test Drive (0.443). The stylish fashion factor of the car influences the consumer to purchase the products. The table shows that (0.661) Availability of spare-parts, (0.651) Price Comparisons, (0.587) good Fuel efficiency are motivates the consumer to buy the product

#### Factor 4<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> Psychological

(0.781)A free accessory motivates the consumer to purchase the automobile products and consumer says its value for money (0.635). Due to low price (0.775) of the consumer are motivated to buy product and they are of (0.606) are happy. (0.808)Loan facility and (0.485) Discount factor motivates consumer to purchase the product.

#### Factor 8<sup>th</sup> Reference group

From the above table I came to know that about 0.925% consumer says Friends and family recommendation factor influence more to purchase a car.

## VI. CONCLUSION

Front the survey it is identified that promotional strategies have its own impact on consumer buying decision making process. Automobile industry has to focus much on advertisement and other promotional activities to increase the sales. It is found in research that pamphlet advertising has a major influence in their buying decision. The industry has to concentrate on TV advertisement because TV advertisement impact to customer more so the industry has to come up with attractive TV advertisement. Other than TV advertisement other sales promotional activates has also has more impact on buying decision making The automobile industry also provided discount and provide free insurance for the period of 2years or free accessories are the offers provided for the customer and there will be a lucky Draw and the lucky person will be rewarded. 40% of respondents buy cars during Discount sale and offer periods. In this Latest trend Recommending on Past experience ,Quality , latest trend , Resale value , After sale service, Status in the society and past experience influence more to the consumer to buy product. From the study it is identified that the internal factors like Stylish, Demonstration, Mail about offers, Test Drive, The stylish fashion factor of the car influences the consumer to purchase the products. And costumer will also consider Availability of spare-parts, Price Comparisons; good Fuel efficiency motivates the consumer to buy the product

Getting new customer is double the cost of retaining the old customer so the company should focus on retaining the old customers in the future who are likely to purchase the product or recommend others to purchase the product. Thus they help directly or indirectly for the product sale. Thus companies should always try to deliver value added service to its customer to satisfy their needs and wants. Gaining and maintaining consumer preference fight that is never really won. Proceeded and reliable branding activities that re enforces the consumers buy choice will, overtime, land the item in consumer preference sets. Achieving and supporting preference is an imperative stride on street to going brand unwaveringness.

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