



A STUDY ON SALES PROMOTION WITH REFERENCE TO ANDAVAR POLY PIPES

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Introduction

Sales promotions are action-focused marketing events whose purpose is to have a direct impact on the behavior of the firm's customer. There are three major types of sales promotions consumer promotions, retailer promotions, and trade promotions. Consumer promotions are promotions offered by manufacturers directly to consumers. Retailer promotions are promotions offered by retailers to consumers. Trade promotions are promotions offered by manufacturers to retailers or other trade entities (Blattberg and Neslin 1990). This thesis is focused on promotions offered to the consumer, therefore a combination of consumer and retailer promotions. Throughout the world, sales promotions offered to consumers are an integral part of the marketing mix for many consumer product Marketing managers use price-oriented promotions, such as coupons, rebate and price discounts to increase sales and market share, entice consumers to trial, and encourage them to switch brands or stores.

Sales promotion is creating a relationship among sales, marketing, and customer support activities within an organization. Another narrow, yet relevant, viewpoint is to consider promotion only as customer retention in which a variety of after marketing tactics is used for customer bonding or staying in touch after the sale is made. Shani and Chalasani define relationship marketing as **“An integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for mutual benefit of both sides, through interactive, individualized and value-added contacts over a period of time”**. Rigid PVC Pipes are fast replacing the conventional metal pipes in many applications. Use of PVC pipes as electrical conduits is well accepted in household and industrial activities. PVC conduits have been accepted by all Electricity Boards. PVC pipes of different diameters have gained wider acceptance for water supply. Their light weight, low cost, easy installation, non-corrosiveness, high tensile strength to withstand high fluid pressure make them ideal for number of purposes. They also offer resistance to most of the chemicals and have excellent electrical and heat insulation properties.

As several research studies have shown not all customers are equally profitable (Infact in some cases 80% of the sales come through 20% of the customers). The company must therefore be selective and tailor its program and marketing efforts by segmenting and selecting appropriate customers for individual marketing programs. In some cases, it could even lead to —outsourcing of some customers so that a company better utilize its resources on those customers it can serve better and create mutual value. However, the objective of a company is not to really prune its customer base but to identify appropriate customer programs and methods that would be profitable and create value for the firm and the customer. Hence, sales promotion is defined as: sales promotion is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer. As is implicit in the above definition, the purpose of promotion is to improve marketing productivity. Marketing productivity is achieved by increasing marketing efficiency and by enhancing marketing effectiveness. In sales promotion, marketing efficiency is achieved because cooperative and collaborative processes help in reducing transaction costs and overall development costs for the company

Objective of The Study

Primary

To find out the sales promotion in Andavar Poly Pipes

Secondary

1. To find out sales increase in competitive market.
2. To find tools and techniques of sales promotion that is used in the organization.
3. To analyze the purchasing behavior of the customer.
4. To analyze the product competitor in the market.

Industry Profile

Rigid PVC Pipes are fast replacing the conventional metal pipes in many applications. Use of PVC pipes as electrical conduits is well accepted in agriculture and industrial activities. PVC conduits have been accepted by all Electricity Boards. PVC pipes of different diameters have gained wider acceptance for water supply. Their light weight, low cost, easy installation, non-corrosiveness, high tensile strength to withstand high fluid pressure make them ideal for number of purposes. They also offer resistance to most of the chemicals and have excellent electrical and heat insulation properties.

Company Profile

Mr.S.Ragunandhan planned and started RPVC Pipe manufacturing unit in Dharapuram. As being his father had a vast experience in a Bore wells field by running his BORE WELL business for 12 years since 2012, so they buy bore well casing pipe directly from the manufacturing unit in regular basis and also in later they also supplied the pipes with some margin to almost more than 35 companies. Since they already had almost more than 20 bore well vehicles in their relative circle itself, sometime the demand and supply was uneven where they cannot supply the pipe as per the demand due to the company which is supplying to them, they also done marketing for the irrigation pipes in Dharapuram, Kundadam, Udumalai, Velakovil side area directly to the formers.

By seeing the demand for the irrigation and bore well casing pipe in the market he had planned to start up this pipe manufacturing unit of own, since there were less manufacturing unit who concentrate on bigger size pipes particularly like bore well casing pipes. production of PVC pipes and about machineries which is used for it. by having a vast experience in Bore Wells Field and Coconut trip irrigation field he along with his Father planned to initial tap the Bore Well casing pipe, irrigation pipe and Wiring pipe market in Tamil Nadu, Kerala and in Karnataka

PLANT CAPACITY PER ANNUM: 1000 MT.

The production basis for a typical tiny unit would be as under:

Working hours/day:	12 (1 shift)
Working days in a year:	300
Annual Production capacity:	1000 MT PVC Pipes as follows:

The unit has been assumed to operate at 60%, 75% and 90% of its installed capacity in the first, second and third year and onwards of its operation.

Market & Demand Aspect

In view of the priorities to rural water suppliers, irrigation facilities in the national planning and rapid rural electrification, the demand for rigid PVC pipe is growing regularly. 80% of the total demand of

PVC pipe exist today is up to 200 mm outer diameters which are very much suitable for small scale sector industries.

In the state like Tamil Nadu where 80% of total population lives in rural belt, irrigation, portable water supply, electrification always occupy in the forefront of planning. About six to seven small units are manufacturing PVC pipes in the state, but still there exist a very good scope of new units to meet the demand of internal and external market.

Raw Materials: One Batch

S.no	Item	Qty In Kg
1.	PVC Resin	25
2.	Stabilizers	0.650
3.	Lubricants	0.250
4.	Colours	0.110
5.	Fillers	8

Manufacturing Process

A) Pvc Compound Formulation

S.no.	Item	Parts by wt. In Kg
i)	PVC Resin	100
ii)	Stabilizer (Non toxic)	2.6
iii)	Internal Lubricant	0.6
iv)	External Lubricant	0.4
v)	Filler	32
vi)	Pigment base	0.4
vii)	Pigment	As required

B) Processing

The basic material which on Polymerization produces P.V.C. Pipes is Polyvinyl chloride which in resin form is hard and rigid. The rigidity can be controlled by controlling the percentage of plasticizer at the time of compounding. Production of Rigid PVC pipe is based on plasticizing and homogenizing PVC compound and then passing the compound through an extruder. The hot molten PVC compound is extruded through a circular slit. Circular slit governs the size of pipe to be extruded. Different dies are used for manufacturing different size of pipes. The Pipes thus extruded through the die is then passed through a vacuum sizing tank wherein the dimensions of the pipe can be accurately set. It also helps in surface finish of the pipes. Vacuum sizing reduces the percentage of wastage considerably. As the pipe being extruded is rigid in form they cannot be wound into coils. So an inline motorized cutting device should be provided for cutting the pipes into required sizes. For ascertaining the consistency in product quality the unit should be equipped with process control laboratory for preliminary testing of raw materials. The unit may also have arrangement for quality testing of finished products.

The various process steps involved in the manufacture of rigid PVC pipes are as follows:

- Extrusion
- Sizing
- Traction
- Cutting

Extrusion: PVC uncompounded resin, unlike some other thermoplastics is not suitable for direct processing. To confer the required processing and end instability, it is necessary to mix additives to the PVC resin. Following are some of the additives which are generally used for the manufacture of rigid PVC pipes.

Plasticizers: The common plasticizer in use are DOP, DIOP, DBP, DOA, DEP, Repast, Perplex etc.

Stabilizers: The common stabilizers are lead, barium, cadmium, tin, stearate, PO3 etc.

Lubricants: Widely used lubricants are Buty-Stearate, Glycerol Moni-Stearate, Epoxidised Monoester of oleic acid, stearic acid etc.

Fillers: Fillers are also used for producing special quality product (e.g. calcined clay is used to improve the electrical properties of cable compounds).

Before the extrusion operation PVC resin is to be compounded with plasticizers, stabilizers, lubricants and fillers to improve processibility and improve the endure stability. PVC resin is compounded with other ingredients in a high speed mixer. The compound resin is fed to the double screw extruder where the inserts and die body for the required pipe diameter are fitted. The PVC compounds are then passed through a heated chamber and they get melted under the compression of the screw and temperature of the barrel. The marking on the pipe is done at the time of extrusion.

Sizing: The pipes coming out from the extruder is cooled in the sizing operation. There are basically two types of sizing used for manufacturing of pipes. They are (i) Pressure sizing & (ii) Vacuum sizing.

Traction: The next operation needed after sizing is traction. The tube traction unit is required for continuous haulage of the pipes being extruded by the extruder.

Cutting: The last operation needed is cutting. There are basically two cutting techniques for rigid PVC pipes viz. manual and automatic. The pipes are then tented for ISI marks and are ready for dispatching.

Review of Literature

DisantaOjah(2008)

Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales.

It is considered that if a consumer is introduced to a product or service three times, they will have gained enough familiarity to trial a product or service. It is further considered that if a consumer purchases a product or service three times, they will have gained the trust to integrate the product or service into their regular buying habits.

Consumers are introduced to new products and services in one, or all of the following ways (in order of importance and impact)

Pauline Douglas(2006)

Sales promotion is very much a social science, that takes into consideration that humans are fundamentally creatures of habit, and will take a new product or service into their lives based upon the following principals:

a. Introduction b. Perception c. Familiarity d. Trust

The challenge of Sales Promotion is to influence and modify a consumers purchasing habits by developing the perception, familiarity and trust around a new product or service. The objective is the gaining of new and repeat customers.

Word of Mouth b. Point Of Sale c. Media Promotion

a. Word of mouth promotion (reputation) is by far the most powerful form of sales promotion - particularly if introduced by a person that the consumer knows and trusts, such as a friend or family member. Sales Representatives and Sales Assistants also play a key role to the **verbal promotion** of products and services.

Research Methodology

Research methodology is way to systematically solve the research problem. It is a plan of action for a research project and explains in detail how data are collected and analyzed. Research Methodology may be understood as a science of studying how research is done scientifically. It can cover a wide range of studies from simple description and investigation to the construction of sophisticated experiment.

A clear objective provides the basis of design of the project. Since the main objective of this study is to identify the customers preference, expectation and perception. It was decided to use descriptive research design include, surveys and fact-finding enquires of different kinds, which found out to be the most suitable design in order to carry out the project.

Statistical Tools Used

To arrange and interpret the collected data the following statistical tools were used .

1. Percentage Method.
2. Weighted Average Method.
3. Chi-square test

Percentage Method

The percentage method was extensively used for findings various details. It is used for making comparison between two or more serices of data. It can be generally calculated.

Percentage of customers is given by
(Number of customers / total customers) * 100

Weighted Average Method:

In the weighted average method, the weighted average can be calculated by the following formula

$$XW = \Sigma WX / \Sigma X$$

Here

XW represents the weighted average

“X1,X2,X3.....Xn” represents the value for variable values

“ W1,W2, W3.....Wn” represents the weightage given to the variable.

Steps:

Multiply the weights (W) by the variables (X) to obtain WX

- Add all WX to obtain ΣWX
- Divide Σ WX by sum of the weights (ΣX) to get weighted average.
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Chi-square test

- The chi-square test has been used to find the relationship between variables, as it is applicable for cross-tabulated data
- This test has been used to determine whether or not there is any association statistically, between the variables in data collected.
- The chi-square contingency table has been used, as it is appropriate for the hypothesis of independence between two nominally scaled variables.

$$\text{Chi square}(\chi^2) = \frac{\sum(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where O_{ij}= Observed frequency of the cell in **i**th row and **j**th column

E_{ij}= Expected frequency of the cell in **i**th row and **j**th column

Weighted Average Method

To Find Rank Factors In Andavar Poly Pipes Which Ranked By Customers

Rank	Weight	Product		Service		Quality		Price		Reliability	
		X1	WX1	X2	WX2	X3	WX3	X4	WX4	X5	WX5
1	5	21	105	24	120	23	115	18	90	15	75
2	4	64	256	51	202	62	248	66	264	71	284
3	3	2	6	9	27	2	6	1	3	2	6
4	2	2	4	2	4	2	4	4	8	2	4
5	1	11	11	14	14	11	11	11	11	10	10
Total		100	382	100	369	100	384	100	376	100	379
C.W		3.82		3.69		3.84		3.76		3.79	
Rank		2		5		1		4		3	

C.W=Calculated weight=[ΣWXn / Σn]

Inference

From the Table it is inferred that customers prefers Quality as first rank.

Square Test

Occupation of The Respondents * Purchasing Type Of Product

		Purchasing Type of Product			Total
		Casing Pipes	Agriculture pipes	Electrical pipes	
Occupation of The Respondents	Self employed	3	20	5	28
	Professional	6	9	2	17
	farmer	7	23	2	32
	Government staff	5	6	1	12
Others		0	9	2	11
Total		27	67	12	100

H_0 : Occupation of the respondent is independent Purchasing type of products.

H_1 : Occupation of the respondent is dependent purchasing type of products.

Degree of freedom = $(3-1)(3-1) = 2*2 = 4$

Level of significance is 5%

Chi- Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.57	8	0.171

Tabulated Value : 11.57

Calculated Value : 8

Here calculated value is less than table value

Therefore Null Hypothesis is accepted

Inference

This table value shows that calculated value less than tabulated value of 5% level of significance with 16 degree of freedom . so the null hypothesis is accepted . Hence, Occupation of the respondent is independent Purchasing type of products.

Findings

- Most of the respondents are belongs to under graduate, 32% of respondents are belongs to below 12th, 21% of respondents are belongs to Dip/IT, 3% of respondents are belongs to PG.
- Most of the respondents are belongs to self farmer, 28% of respondents are belongs to self employed, 17% of respondents are belongs to professional, 12% of respondents are belongs to house wife, 11% of respondents are belongs to government job.
- It is found that 29% of respondents are purchased the product already, 71% of respondents are not purchased the product already.

- It is found that 83% of respondents are known the andavar through Friends & relation, 7% of respondents are known the andavar through newspaper, 4% of respondents are known the andavar through magazine, 6% of respondents are known the andavar through Advertisement
- Most of the respondents are buying only agriculture pipes, 21% of respondents are buying ony electrical pipes, 12% of respondents are buying only casing pipes.
- It is found that 67% of respondents are buying only agriculture pipes, 21% of respondents are buying ony electrical pipes, 12% of respondents are buying only casing pipes.
- Most of the respondents are like more quality with low price, 16% of respondents are like good service with exiting price, 7% of respondents are like Exiting quality with low price, 5% of respondents are like moe quality exiting price, 4% of respondents are like good service with low price.
- It is found that 70% of respondents are belongs to word of mouth, 24% of respondents are belongs to online, 4% of respondents are belongs to television, 2% of respondents are belongs to newspaper
- Most of the respondents are buy below – 10, 3% of respondents are buy 10-40, 1% of respondents are buy 40-80, 3% of respondents are buy 80-100.
- It is found that 92% of respondents are replace the product below – 10, 3% of respondents are replace the product 10-40, 2% of respondents are replace the product 40-80, 3% of respondents are replace the product 80-100.
- Most of the respondents are satisfied the company product, 21% of respondents are highly satisfied the company product, 2% of respondents are dissatisfied the company product, 2% of respondents are highly dissatisfied the company product, 11% of respondents are none the company product.
- Most of the respondents are satisfied the company service, 24% of respondents are highly satisfied the company service, 9% of respondents are dissatisfied the company service, 2% of respondents are highly dissatisfied the company service, 14% of respondents are none the company service
- It is found that 62% of respondents are satisfied the company quality, 23% of respondents are highly satisfied the company quality, 2% of respondents are dissatisfied the company quality, 2% of respondents are highly dissatisfied the company quality, 11% of respondents are none the company quality.
- Most of the respondents are satisfied the company quality, 23% of respondents are highly satisfied the company quality, 2% of respondents are dissatisfied the company quality, 2% of respondents are highly dissatisfied the company quality, 11% of respondents are none the company quality.
- It is found that 20% of respondents are some extent in the development of selling the product, 3% of respondents are great extent in the development of selling the product, 77% of respondents are said none in the development of selling the product
- It is found that 98% of respondents are said no for desirable qualities that we lack, 2% of respondents are said yes desirable qualities that we lack.
- Most of the respondents are said yes for purchasing the product in next year, 3% of respondents are said no for purchasing the product in next year.



Conclusion

The study on sales promotion in **Andavar poly pipes pvt., Ltd.**, is study with care and special effects have been taken to make the study as specific as possible. The methodology typical proof to show that the study is scientific.

From the study, it is clear that most of the customers are satisfied with there product, price and quality. This study is also clearly states that the customers are expecting to improve their service. So the company can take an action to improve the service. The customers are giving more important for more quality with price of the product. A good quality of service create weightage of the concern.

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