

A
Project Report On
**“A STUDY OF AUTOMOBILE SALES PROMOTION STRATEGIES: A
CASE STUDY OF TOYOTA AND HONDA”**

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Certificate

This is to certify that **Mr. Aniket Sanjay More** had completed the Project titled “**A STUDY OF AUTOMOBILE SALES PROMOTION STRATEGIES: A CASE STUDY OF TOYOTA AND HONDA**” in MES, Arts, Commerce & Science College, Sonai, under the guidance of **Prof. Sayyad L.R.** in partial fulfillment of the requirement for the award of degree of Bachelor of Business Management at Savitribai Phule Pune University, Pune.



Signature of Guide



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1)INTRODUCTION TO THE TOPIC

1.1 Background

The automotive industry is one of the major industries in Thailand which has been growing in the past few years (Penglengpon. 2001 :

1). Vehicles have become the fifth element in people's every day lives. There is an old saying "Time is money" which is often true since nowadays more people prefer to travel by car to work. Various types of vehicles abound to serve the purposes of convenience, comfort and time especially for business people. Apart from these purposes, vehicles including automobiles are also used as a commodity to reflect social status and economic success. Even those who cannot afford a car strive for one. As a result, automobile marketers employ a number of sales-promotion strategies and incentives as a part of their marketing mix to promote a product and thus increase sales. Therefore, a great number of vehicles continually have been increased around the world. Although this causes traffic congestion and air pollution especially in big cities, it is undeniable that they still appeal to people as a result of sales promotion strategies used by marketers. Moreover, despite the fact that fuel price has been continually rising, automobiles are still desirable products. One of the marketing strategies for shortterm sales volume that most automobile advertisers relies upon is consumer sales promotion. Another popular marketing communication tool is advertising carrying persuasive messages as well as presenters or spokespersons to promote the products. However, there might be other motivations that appeal to consumers and influence them to buy the product.

2 In the past, consumers were more likely to buy European and American cars than Japanese ones and the main reason was self-esteem. Later Japanese automakers have expanded market share by using a new marketing strategy, which is image. Meyers (1984 : 86) described that the Japanese understood what most Detroit (American automakers) has yet to grasp: a large percentage of consumer purchases are based on perceptions and images. Image persistence is explained by the fact that once people have a certain image, they perceive what is consistent with that image. It will take highly disconfirming information to raise doubts and open their minds, especially when people do not have continuous or new first-hand experiences with the changed object (Kotler. 2003 : 568). In addition to image

making, Japanese cars are also less expensive and provide more economical gas mileage. Consequently, Thai consumers have accepted Japanese cars like Toyota and Honda because they are able to fulfill their needs and these brands also have become very successful. In fact Toyota is the number one best selling at present. Previous theories suggested the significance of marketing communication including advertising and sales promotion tools that are delivered to the target market or customers. The target market for each brand or model is also an important factor to consider. Cited by Wells; Burnett; & Moriarty (2003 : 431), the primary strengths of sales promotions are their variety and flexibility. Sales promotion works for all kinds of businesses. For the importance of brand, Churchill; & Peter (1998 : 470) described that brand is a name, term, design, symbol or any other feature that identifies one sellers' goods or service as distinct from other sellers. They also stated that brands are easily recognized when displayed in a store or included in advertising. Then the dissemination of information about a company's products and services forms an important part of the overall strategy of communications.

3 It is noticeable that these two automobile brands have strong brand recognition and effective sales promotion strategies, which result in their high sales volume. Sales-promotion strategies are adapted to suit the product category and targeted consumers. Wells; Burnett; & Moriarty (2003 : 430) described that the main reasons that companies spend money on sales promotion are the pressure for short-term profits and the need for accountability for marketing communication efforts. Kotler; & Armstrong (2004 : 509 - 511) cited that sales promotion includes a wide variety of promotion tools designed to stimulate earlier or stronger market response. The main consumer promotion tools include samples, coupons, cash refunds, price packs, premiums, advertising specialties, patronage rewards, point-of-purchase displays and demonstrations. In marketing communication process, Clow; & Baack (2002 : 223) stated that advertising usually is the primary communication vehicle in reaching consumers. Therefore, a various type of advertisement to promote products is employed among automobile brands. O'Guinn; Allen; & Semenik (2003 : 258) also cited that the positive mood from viewing attractive images transfers to the message or product being presented. Thus, exposure to advertising simply raises the attractiveness level of the product or message, and thereby promotes product purchases. Clow; & Baack (2002 : 237)

supported that one of the most important advertising goals is to build a global brand and corporate image. In Thailand, automobile brands with high sales also apply sales promotion strategies as well as advertising. According to information from Toyota Motor Thailand Co., Ltd, two automobiles brand that have highest sales in passenger cars for five consecutive years from 2001 to 2005 are Toyota and Honda.

4 This research aims at examining automobile sales promotion strategies of Toyota and Honda brands. Furthermore, it explores consumers or car owners' attitudes towards sales promotion program and their buying decision, and analyzes the effectiveness of strategies employed by the two brands. Audiences will benefit from knowledge about underlying effect of advertising and be able to distinguish information needed for making buying decision from sales promotion strategies.

1.2 Objectives of the study

It is the purpose of this study to examine sales promotion strategies as well as other motivations to buy automobiles as identified by sample groups of respondents. To be more specific, it aims to:

1. Study the influence of sales promotion strategies including persuasive messages and presenters used in advertising on consumer buying decision.
2. Investigate consumers or potential buyers' attitude towards sales promotion strategies.

1.3 Significance of the study

Automobile industry is a big industry that has an impact on the country's economy. The automobile market is fiercely competitive. Sales promotion strategies play a significant role in marketing and help increase sales. In Thailand, more and more automobiles are sold as a result of sales promotion strategies including advertising. However, additional reasons and motivations to buy automobiles apart from advertising should also be investigated. This study consolidates consumers' or car buyers' attitude towards Toyota and Honda brands and their sales promotion

strategies and also examines the level of attractiveness of advertising as perceived by them. The findings will benefit advertisers in terms of crafting the sale promotion plan that best responds to consumers need. For consumers as an audience of advertisers, they will be able to analyze sales promotion strategies and advertising effectively.

4 Research questions

1. How do sales promotion strategies affect the consumers' buying decisions?
2. In what way does advertising influence consumers' attitude towards brand and their buying decision?

1.5 Scope of the study This study investigated sales promotion strategies of two leading Japanese automobile brands; Toyota and Honda. Primary data consisted of; passenger car sales figures from 2001 to 2005 from Toyota Motor Thailand Co., Ltd. and examples of model cars advertising were acquired from www.toyota.co.th and www.honda.co.th/automobile. The instrument is questionnaire designed to find out various factors affecting buying decisions and respondents' attitude towards a particular brand. The survey was made at one dealer of these 2 brands; Krungthai Toyota (Ram-intra) and Ram-intra Honda Car. 6

1.6 Definition of terms

1. Sales promotion strategies is a variety of short-term incentives to encourage trial or purchase of a product or service involving advertising, price, place, product and promotion mix.
2. An automobile refers to a passenger car only.
3. Dealers mentioned in this study are Krungthai Toyota (Ramintra) and Ramintra Honda car.

1.7 Expected outcome of the study It is expected that the results of the study would make audiences be able to identify sales promotions strategies used among competitive brands and marketers would understand consumers' attitude and their perception in terms of quality and price so as to set a marketing plan that appeals to them.

2)OBJECTIVES OF THE STUDY

2.1 Integrated marketing communication

Integrated marketing communication (IMC) is the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. Before getting to understand to IMC concept, it is helpful to consider the traditional framework of marketing from which it originated. The marketing mix is the starting point. Promotion is one of the four components of the mix that contains another series of marketing functions. Traditionally, promotional activities include advertising, sales promotions, and personal selling activities. An IMC plan begins with the development and coordination of the marketing mix, elements of prices, products, distribution methods, and promotion, according to Clow; & Baack (2002 : 11).

2.2 Marketing and advertising communication

Marketing is an overall process of promoting a product including advertising as a major element of marketing mix. 8 Etzel; Walker; & Stanton (1997 : 6) described that marketing is the a total system of business activities designed to plan, price, promote, and distribute want-satisfying products to target marketers to achieve organization objectives. The aim of marketing is to make selling superfluous.

These activities include market research to find out, for example, what groups of potential customers exist, what their needs are, which of those needs you can meet, how you should meet them, etc. Marketing also includes analyzing the competition, positioning your new product or service (finding your market niche), pricing your products and services, and promoting them through continued advertising, promotions, public relations and sales. In short, marketing is a large activity attempting to define and meet the customers' needs and wants through a number of processes. Effective marketing is desirable and can help bring in new and existing customers.

2.2.1 The marketing mix According to Krugman and others (Krugman Dean M.; et al. 1994 : 43), the marketing mix combines four marketer-controlled decisions:

1. Product strategy, which involves decisions about such things as quality, branding, styles, packaging, options, services, and warranties.

2. Price strategy, which involves decisions about such things as credit, discounts, allowances, payment periods, and price lists

3. Place (distribution) strategy, which involves decisions about such things as wholesalers, retailers, transportation, distribution centers, and geographic coverage

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4. Promotion strategy, which involves decisions about four communication options—advertising, sales promotion, personal selling, and public relations.

2.2.2 The meaning of advertising It is widely accepted that advertising plays an important role in promoting a product and is a major part of marketing mix not to mention its impact on consumer buying behavior. According to O'Guinn; Allen; & Semenik (2003 : 6), advertising is a paid, massmediated attempt to persuade. Therefore, advertising also works as a means of communication. Advertising can be persuasive communication not only about a product or service but also about an idea, a person, or an entire organization. Similar to this definition, Kotler (2003 : 590) explained that advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. It is a cost-effective way to disseminate messages, whether it is to build brand preference or to motivate a developing consumer to do as guided by it. Another definition is by Mcnamara (1999 : Online); advertising is bringing a product or service to the

attention of potential and current customers. Functions of advertising according to Wells; Burnett; & Moriarty (2003 : 15) are to provide product and brand information, to provide incentives to take action and to provide reminder and reinforcement to customers. In conclusion, various definitions of advertising presented above help make us understand its overall concept. 10

2.2.3 The role of advertising in the marketing plan

According to Wells; Burnett; & Moriarty (2003 : 64-65) Advertising is an integral but relatively small part of the marketing plan. Traditionally, businesses plan their marketing initiatives by examining the marketing mix, a blend of activities such as designing the product and its package, pricing the product, distributing the product so that it is accessible to customers, and promoting or communication about the product. Marketers use the marketing mix as the means to reach their marketing goals. Marketing communication is an umbrella term for many types of promotional activities: advertising, public relations, sales promotions, personal selling, packaging, point-of-sale, and direct marketing. Advertising, as a marketing communication technique, is capable of reaching a mass audience repeatedly. It also effectively informs customers about new products, explains important changes in existing products, reminds customers to buy, and reinforce past purchases. Finally, advertising can persuade customers to change their attitudes, beliefs, or behavior

2.2.4 Models of advertising Various types of advertising should be in accordance with widely quoted models for effective communication. Clow; & Baack (2002 : 299-300) also suggested 6 steps impelled by the force of advertising resulted in psychological and /or economic commitment. Those steps are awareness, knowledge, liking, preference, conviction and the actual purchase. These steps are sequential in nature. Consumers spend a period of time at each step before moving to the next. Thus, before a person can develop a liking for a product, he or she must first have sufficient knowledge of the product. Once the individual 11 has the knowledge and develop liking for product, the advertiser can try to influence the consumer to prefer a particular brand or company more strongly. 2.3 Sales

promotion Sales promotion can be defined (Sales Promotion. 2006 : Online) as any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service including initiatives that are not covered by the other elements of the marketing communications or promotions mix. Sales promotions are action focused, according to Blattberg; & Neslin (1990 : 1-2). The most distinguishing characteristic of sales promotions is their emphasis on getting the customer to take action. Another important element of sales promotion's action orientation is its common reliance on a limited duration time frame. There are three major types of sales promotion: consumer promotion, retailer promotion, and trade promotions. This research focuses on consumer promotion. Automobile sales promotion programs are varied.

The main ones are:

1. Free gifts such as first class insurance, rubber rug and car window film.
2. Discounted prices such as special car price offered in motor show events
3. Free samples (sampling) including a test drive program
4. Fair and trade show such as annual auto show
5. Continuity programs or Corporate Social Responsibility (CSR) such as Toyota Thailand Foundation set up to promote the quality of life and protect the environment through various activities
6. Tie-in or product placement in movies or TV programming
7. Finance deals – such as 0% finance over 6 years on selected vehicles and trade-in an old car.

2.4 The buyer decision process Kotler and Armstrong (2004 : 198) examined the stages buyers pass through to reach a buying decision. Figure 1 shows the consumer as passing through five stages: need recognition, information search, evaluation of alternatives, purchase decision, and postpurchase behavior.

BUYER DECISION PROCESS

The buyer decision process starts with need recognition. When the consumer senses his or her need, he or she then searches for information about product from

several sources. The next step is to evaluate all alternatives he or she has in hands. He will also attach degrees of importance to different attributes according to his needs and wants. At this stage, the consumer may consider brand image altogether. After passing through those previous steps, the consumer finally makes a purchase decision based on the most preferred brand. After purchasing the product, he or she will be satisfied or dissatisfied and will engage in postpurchase behavior. Need recognition Postpurchase behavior Purchase decision Evaluation of alternatives Information search

13 2.5 Related previous study Panida Pinitapakorn (2003) in “An Analysis of Sales-Promotion Focusing on Fastfood Business: A Case Study of Burger Business” revealed that a promotional activity is able to induce customers’ attention and fulfill their need. Business that launches the more attractive sales promotion is able to reach customers’ buying decision. Sittichai Ong-zee’s study (2004) entitled “Integrated Marketing Communication Influencing on Consumers Behavior Buying Automobile Toyota Brand in Bangkok Metropolitan Area” investigated the relation between the IMC and the consumer’s buying behavior. The results revealed that buying time have a negative correlation with advertising in lower statistically significant difference at 0.01 level. Saritpong Phenglengpon’s study (2001) entitled “Factors Affecting Passenger Car buying Decision of Graduate Students at Kasetsart University” investigated the passenger car marketplace and factors affecting buying decision of a group of graduate students at NIDA. The results of the study revealed that the general factors affecting passenger car buying were income, family’s status and lifestyle. The specific factors are quality, price range and safety system. Chulin Puttanlek’s study (2002) entitled “Factors Concerning the Buying Decision of Passenger Car of People in Bangkok Metropolitan” investigated the need for passenger car, the marketing factors involving in the selection of cars and the influence of personal factors on the buyers’ selection of cars in Bangkok Metropolitan. The results of the study showed that the majority of the samples were interested in buying passenger car. They 14 preferred the 1600 cc. engine, at the price between 400,001 – 600,000 Baht with Toyota and Honda being the most popular brands. Pairin Prassarpath’s study (2003) entitled “Factors Influencing the Buying Decision Behavior for Honda Cars in Bangkok Metropolitan Area” found that customers with differences in gender, marital status, age, income, occupation, working period, family

members, and model of the car used have significant differences on decision making behavior in buying different models of Honda cars whereas customers with differences in education have no significant differences on decision-making behavior in buying different models of Honda cars. There is a positive correlation between overall buying decision behaviors of Bangkok customers and the marketing mix factors which are product, price, place and promotion. In conclusion, a number of factors about the product, which a passenger car such as price and personal preference and its supported marketing activities such as advertising and sales promotion all affect consumers buying decisions

3)INTRODUCTION TO AUTOMOBILE INDUSTRY

Automotive industry is the key driver of any growing economy. It plays a pivotal role in country's rapid economic and industrial development. It caters to the requirement of equipment for basic industries like steel, non-ferrous metals, fertilizers, refineries, petrochemicals, shipping, textiles, plastics, glass, rubber, capital equipments, logistics, paper, cement, sugar, etc. It facilitates the improvement in various infrastructure facilities like power, rail and road transport. Due to its deep forward and backward linkages with almost every segment of the economy, the industry has a strong and positive multiplier effect and thus propels progress of a nation. The automotive industry comprises of the automobile and the auto component sectors. It includes passenger cars; light, medium and heavy commercial vehicles; multi-utility vehicles such as jeeps, scooters, motor-cycles, three wheelers, tractors, etc; and auto components like engine parts, drive and transmission parts, suspension and braking parts, electrical body and chassis parts; etc. The Role of Automobile Industry in India GDP has been phenomenon. The Automobile Industry is one of the fastest growing sectors in India. Probably automobile industries occupy a large market share in the worlds market as well as in the Indian market. Nearly 18% of the total national income is being incurred

from the automobile industry. From this we can estimate the importance of an automobile industry in the improvement of GDP of a country. In India automobile industry has a growth rate is at the average of 10-12%. India has become one of the international players in the automobile market. It is expected that the Automobile Industry in India would be the 7th largest automobile market within the year 2016.

INDIAN AUTOMOBILE INDUSTRY SINCE 1947:

It is a fascinating drive through history, which begins as a story of isolation and missed opportunities to one of huge potential and phenomenal growth. India's fixation with socialism and planned economies had a crippling impact on the automotive industry in its formative years. The goal at that time for independent India was self-sufficiency. Issues like quality and efficiency were simply not considered. Dependence of foreign technology was banned and manufacturers were forced to localize their products; import substitution became the order of the day. Though we learnt to localize, the cars we made were all outdated designs with little or not improvements for decades. The automotive industry stagnated under the government's stifling restrictions and the Indian car buyer was saddled with cars of appalling quality and even then there was a waiting list that at one point stretched to eight years! This attempt at self-reliance failed miserably because of the industry's isolation from the best technology. The Japanese and later Korean auto industries were also highly protected in their formative years but they never shut the door on technology. Instead, they relentlessly tapped the best talent pools in the world to absorb the know-how to produce good cars. One of the most important chapters in the Indian automotive industry's history was written by Maruti. It marked the Indian government getting into the car business in the early 1980's, a radical shift in thinking after decades of treating cars with disdain. The Maruti 800 went on to become the staple car of India and put a nation on wheels. This little car set a benchmark for price, size and quality and structured India as small car market. It wasn't till 1993 that things really started to change for the Indian car buyer. With the liberalization of the economy, a host of international carmakers rushed in. But most of them were in for a shock as Indian customers rejected their product. Indian customers refused to allow the glitter of prestigious brands blind them to the outdated and overpriced products they were offered. The Indian consumer wanted super value, and rewarded the brands that delivered it, handsomely. Hyundai and Maruti delivered, and profited. The period also saw the

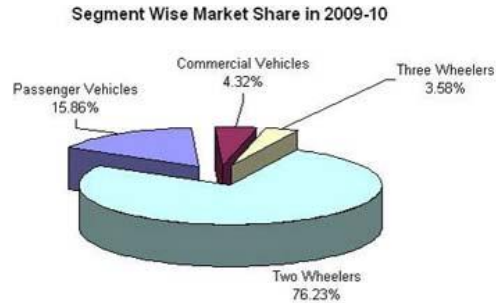
emergence of the Indian players like Tata Motors and Mahindra & Mahindra. They rose to the challenge of the MNC's and responded brilliantly with the Indica and the Scorpio. This was ironically due to the license raj that forced Indian carmakers to be innovative and develop products frugally. India's frugal engineering skill has now caught the world's imagination, and an increasing number of carmakers are preparing to setup major capacities here. India's changing, and changing fast. It's moving forward. India's largest-selling car is not its cheapest car, the 800. It is the Alto. People's aspirations are rising and so are their mistakes, have got their finger on the pulse of the market. Get the right product and the rewards are handsome. The Indian auto industry is today bubbling with promise and confidence. It's been a long journey but to see where the Indian car industry is going. We have to see where it has been.

AUTOMOBILE INDUSTRY IN PRE-INDEPENDENCE:

The first motorcar on the streets of India was seen in 1898, Bombay had its first taxicabs by the turn of the century. In 1903, an American company began a public taxi service with a fleet of 50 cars. For about 50 years after cars arrived in India, cars were directly imported. Before World War I, around 40,000 motor vehicles were imported. During the years between the wars, a small start for an automobile industry was made when assembly plants were established in Bombay, Calcutta and Madras. The import/assembly of vehicles grew consistently after the 1920s, crossing 30,000 units by 1930. It was during the end of the war that the importance of establishing an indigenous automobile in India was realized. Premier Motors, Hindustan Motors and Mahindra & Mahindra set up factories in the 1940s for progressive manufacture rather than assembly from imported components. The cars they chose to make were the latest in the world when they were introduced in India in the formative years of the industry.

POST- INDEPENDENCE:

The government clamped down on imports and foreign investments. Companies like GM and Ford packed their bags and left. India's clock, thereafter, stood still while the world raced on ahead. It would take nearly 50 years before the Indian auto industry could catch up with the rest of the world again.



4)MARKETING STRATEGY AND ANALYSIS

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. Any organization that wants to exchange its products or services in the market place successfully should have a Strategic Marketing plan to guide the allocation of its resources. A strategic marketing plan usually evolves from an organization's overall corporate strategy and serves as a guide for specific marketing programs and policies. Marketing strategy is based on a situation analysis- a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands. From this situation analysis, a firm develops an understanding of the market and the various opportunities it offers, the competition and the market segments or target markets the company wishes to pursue. Marketing strategy is the complete and unbeatable plan, designed specifically for attaining the marketing objectives of the firm/business unit. The marketing objectives indicate what the firm wants to achieve; the marketing strategy provides the design for achieving them .For example, if the marketing objectives of a business unit stipulate that next year, it should achieve a sales revenue of Rs. 1,000 crore and a net profit of 15 percent of sales revenue, it is the job of marketing strategy to indicate how and wherefrom this sale and profit will come, which product lines/products/brands will accomplish this task and how. Marketing strategy forms an integral part of marketing planning. A marketing strategy is most effective when it is an integral component of corporate strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. It is partially derived from broader corporate strategies, corporate missions, and corporate goals. As the customer constitutes the source of a company's revenue, marketing strategy is

closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement.

MARKETING AND PROMOTIONS PROCESS MODEL:

Development of marketing program requires an in-depth analysis of the market. This analysis may make extensive use of market research as an input into the planning process. This input, in turn, provides the basis for the development of marketing strategies in regard to product, pricing, distribution and promotion decisions. Each of these steps requires a detailed analysis, since this plan serves as the road map to follow in achieving marketing goals. Once the detailed market analysis has been completed and marketing objectives have been established, each element in the market mix must contribute to a comprehensive integrated marketing program. Of course, the promotional program element must be combined with all other program elements in such a way as to achieve maximum impact.

FORMULATING THE MARKETING STRATEGY

Basically, formulation of marketing strategy consists of three main tasks: 1. Selecting the target market, 2. Positioning the offer, 3. Assembling the marketing mix. This implies that the essence of the marketing strategy of a firm for a given product or brand can be grasped from the target market chosen, the way it is positioned and how the marketing mix is organized. The target market shows to whom the unit intends to sell the products; positioning and marketing mix together show how and using what uniqueness or distinction, the unit intends to sell. The three together constitute the marketing strategy platform of the given product.

SELECTING THE TARGET MARKET:

To say that target market selection is a part of marketing strategy development is just stating the obvious. It does not fully bring out the import of the inseparable linkage between the two. When the selection of the target market is over, an important part of the marketing strategy of the product is determined, defined and

expressed. Marketing targeting simply means choosing one's target market. It needs to be clarified at the outset that market targeting is not synonymous with market segmentation. Segmentation is actually the prelude to target market selection. One has to carry out several tasks besides segmentation before choosing the target market. Through segmentation, a firm divides the market into many segments. But all these segments need not form its target market. Target market signifies only those segments that it wants to adopt as its market. A selection is thus involved in it. Marketing segmentation is a process that throws up not one but several market segments. There may be segments that are sizeable and the ones that are not so sizeable. There may be segments assuring immediate profits and the ones that call for heavy investments in market development. There may also be segments that show great potential, but display tough barriers to entry. As such, the question, which segment/segments, the firm should select as its target market, assumes crucial importance.

STRATEGIC MARKET SEGMENTATION:

Market Segmentation is "dividing up a market into distinct groups that

(1) Have common needs and

(2) Will respond similarly to a marketing action", which was said by Eric N. Berkowitz, Roger A. Kerin, and William Redelius. The Segmentation process involves five distinct steps:

- Finding ways, to group consumers according to their needs
 - Finding ways to group the marketing actions – usually the products offered – available to the organization.
 - Developing a market-product grid to relate the market segments to the firm's products or actions.
 - Selecting the target segments towards which the firm directs its marketing actions.

➤ Taking marketing actions to reach target segments Markets can be segmented using several relevant bases. For example, demographic characteristics of consumers, such as age, sex, income/purchasing capacity, education level etc, form one base for segmentation. Geographic characteristics constitute another; and buying behavior of the consumer forms yet another base.

The various types of segmentations are:

- a) Geographic segmentation
- b) Demographic segmentation
- c) Psychographic segmentation
- d) Buyer behavior
- e) Benefits segmentation
- f) Volume of purchase segmentation

PRODUCT POSITIONING AND BRAND POSITIONING:

It is essential to understand the relationship between products positioning and brand positioning. Though in discussions, the two terms are synonymously and interchangeable used, technically they are different. Product positioning denotes the specific product category/product class in which the given product is opting to compete. And brand positioning denotes the positioning of the brand viz -a- viz the competing brands in the chosen product category. It is evident that for any product, before entering the market it has to sequentially carry out the two exercises, product positioning and brand positioning. In the first step, the product category where the new entrant should enter and compete, i.e. against what all products it has to compete, has to be decided. In this step, it is the broad function that the product is trying to serve that matters. This choice of product category will decide the nature of the competition the product is going to face. Once product category positioning is decided, the position for the new entrant against competing brands in the chosen product category has to be analyzed and fixed.

ISSUES IN PRODUCT POSITIONING:

⊖ Where is the new offer going to compete? As what? ⊖ Which product function/customer need is it trying to meet? ⊖ What other product categories serve this need? ⊖ In other words, what are the substitute products that serve the same need? ⊖ Where is the real gap, where is such a new offer most welcome and wanted by the market? ⊖ What are company's competencies to fight here?

ISSUES IN BRAND POSITIONING

In deciding the Brand positioning, the issues are: Which are the competing brands in the chosen product category? What are the unique claims/strengths of the various brands? What position do they enjoy in consumer's evaluation and perception? What is the most favoured position...? And yet vacant? Can the new brand claim the needed distinction and take the position and satisfy the need? The major dimension of marketing strategy relates to positioning of the offer. The firm has already selected the target market and decided its basic offer. Now, what is the conjunction between these two entities? How do they get connected? What is the interface? In other words, what is the locus the firm seeks among the customers in the chosen target market with its offering? How would the firm want the consumer to view and receive the offer? These are the issues the firm has to grapple with in positioning. And, while formulating the marketing mix too, the firm will agitate over these issues. The Product Differentiation and Positioning discusses the multifarious issues involved in the subject.



5) RESEARCH METHODOLOGY

Procedures used in this study. It was divided into four main parts;

1) subjects, 2) procedures, 3) instrument and 4) samples and sites.

Subjects of the study

The subject of this study consists of 20 Toyota car owners and 20 Honda car owners in Bangkok totaling in 40. Their ages are from 20s up to 50s. They were selected randomly and asked to fill in the questionnaire.

Procedures

The researcher collected advertising from Toyota and Honda websites as example of advertising containing persuasive language and presenters. Then the research designed the questionnaire which was distributed equally to 2 groups of respondents totaling 40 people. The first group was comprised of 20 Toyota car owners and the second one was comprised of 20 Honda car owners. The period of conducting questionnaire session was July to August 2006.

Data collection

Data of passenger car sales volume during 2001 – 2005 were collected from Toyota Motor Thailand co., Ltd. All information of Toyota and Honda model cars

as well as 16 their advertising were taken from their websites; www.toyota.co.th and www.honda.co.th/automobile respectively.

Data analysis

The researcher classified advertising and sales promotion strategies employed by Toyota and Honda, and then analyzed respondents' reasons and attitudes towards each brand and its sales promotion program. The findings would be illustrated in the form of tables and charts showing frequency and percentage, and discussed and summarized with suggestions for further study.

RESEARCH METHODOLOGIES AND LIMITATIONS: MARKETING RESEARCH:

Definition of marketing research as approved as by the board of directors of the association of American marketing association is: "Marketing research is the function which links the customer and public to the marketer through information – information used to identify and define marketing opportunities and problems generate define and understanding of marketing as process". Simply, marketing research is the systematic design collection analysis and reporting of data finding relevant to a specific marketing situation facing the company. Carefully planning through all stages of the research is a necessity. Objectivity in research is all-important. The heart of scientific method is the objective gathering of the information. The function as marketing research within the company as to provide the information and analytical necessary for effective.

- Planning of the future marketing activity.
- Control of the marketing operation in the present.
- Evaluation of marketing results.

A research may undertake any of the three types of research investigation depending upon the problem. These type of research include:

1. Basic research
2. Applied research

3. Designated Fact Gathering

BASIC RESEARCH:

It is also known as the pure fundamental research, which refers to those studies, sole purpose of which is the discovery of new information. It is conducted to extend the horizons on given area of knowledge with no immediate application to existing problems.

APPLIED RESEARCH:

It is attempt to apply the various marketing technique, which have been developed as research, first and later on they become applied research techniques. It is on attempt to apply the basic principles and existing knowledge for the purpose of solving operational problems.

DESIGNATED FACT GATHERING:

It refers to a research where the investigation attempts to gather some pre-determined data.

STEPS IN MARKETING RESEARCH:

Marketing research process can be out through following steps: } Define the problems and research objectives } Develops the research plan } Collect the information } Analysis and interpretation } Present the finding.

RESEARCH METHOD:

It must be classified on the basis of the major purpose of the investigation. In this problem description studies have been undertaken, as the objective of the project is to conduct the market shares study to determine the share of market received by the company to the competitor.

DATA COLLECTION

The information needed to further proceed had been collected through primary and secondary data.

PRIMARY DATA:

It consists of information collected for the specific purpose, survey research was used and he all the details of Bike and their competitors were contacted. Survey research is the approached gathering description and information.

CONTACTED METHOD:

The information was solicited by administering structured questionnaire to the customer and dealers, thus getting to know directly from the dealers their sales before and after sales service.

SECONDARY DATA COLLECTION:

The secondary data consists of information that already existing somewhere having been collected for another purpose. Any researcher begins the research work by first going through secondary data. Secondary data includes the information available with company. It may be the findings of research previously done in the field. Secondary data can also be collected from the magazines, news papers, internet other service conducted by researchers.

METHODS OF DATA COLLECTION:

The basic method adopted in conducting the study is a structured questionnaire. Questionnaire is administered on the sample respondents. How ever there are certain cases where personal interaction and observation method is followed with the employees to find the required information



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6) QUESTIONNAIRE

1. Which of the following Bike car you own?

a) Bike Linea

b) Bike Grande Punto

Data Analysis:

Name of the car % of customers Bike Linea 30 Bike Grande Punto 55
Interpretation: This question was meant for taking the information regarding the most preferred cars among Bike cars. People prefer Punto over Linea.

2. What do you like most about your Bike car?

a) Style/design

b) Comfort

c) Bike brand

d) Service Data Analysis: Customer's preference Number of customers
Style/ design 25 Comfort 37 Brand 18 Service 20 Interpretation:

This question is meant to know the customer's preferences and likes towards the car. From the data we can position our product on the comfort seeking group of people.

3. What do you feel great about your car when compared to other cars in the market?

a) Fuel efficiency

b) Durability

c) Low maintenance

d) Sound quality

e) Brand name Data Analysis: Customer's perspective No. of customers Fuel efficiency 12 Durability 8 Low maintenance 5 Sound quality 20 Brand name 30
Interpretation:

By this question, we can find that generally people purchase the car by seeing the brand name only. Sound quality is also one of the criteria.

4. How did you come to know about this car before purchasing?

a) From friends, relatives (buzz)

b) Advertisements

- c) Car experts
- d) Sale's persons visit
- e) Auto magazines

Data Analysis:

Source of awareness No. of customers Buzz 15 Advertisements 20 Car experts 5 Salesperson's visit 8 Auto magazines 9 Interpretation: The major media that attracted the customers is television.

5. Can you share your experience with after sale service support?

- a) Very much satisfied
- b) Satisfied
- c) Ok
- d) Not satisfied

Data Analysis:

Post service experience No. of customers Very much satisfied 6 Satisfied 15 Ok 25 Not satisfied

4 Interpretation: This question is meant to know the service levels of the authorized dealers. Mostly, the customers are at indifferent attitude with the service.

6. Where do you get your car serviced regularly?

a) At authorized service centre

b) At a local workshop near my home Data Analysis: Place of service No. of customers Service centres 41 Local workshop 9 Interpretation: Most of the customers get their car service only at the authorized service centres. From this we come to know the importance of these places.

7. Which bank do you prefer in getting financial help while purchasing a car?

a) ICICI

b) Mahindra and Mahindra

c) SBI d) Other Data Analysis: Name of the Bank No. of customers ICICI 15 Mahindra and Mahindra 8 SBI 20 Others 6 Interpretation: Most of the customers rely on SBI and ICICI bank for getting financial help for purchasing the car.

8. To which media do you get expose regularly?

a) Televisions

b) Magazines

c) News papers

d) F.M/Radio

Data Analysis:

Media No. of customers Televisions 30 Magazines 8 Newspapers 18 FM radio 4 Interpretation: It shows that television is playing a significant role in spreading awareness about the product among the people.

9. Which kind of T.V. channels do you watch regularly?

a) National news channels

b) Regional news channels

c) Sports channels

d) Entertainment channels

Data Analysis:

TV channels No. of customers National channel 10 Sports channel 16 Regional news channel 4 Entertainment channel 20 Interpretation: This question is meant for knowing interest and preferences of the customers towards TV channels.

10. What's your opinion on the price list of Bike cars?

a) Affordable by common man

b) Affordable only for rich man

c) Can't say

Data Analysis:

Customer opinion No. of customers Affordable 10 Not affordable 45 Can't say 4 Interpretation: It shows that cars are too expensive for an economic man of the society.

11. What kinds of offers do you like or expect from the dealer?

a) Free insurance

b) Special discount on sale of cars

c) Extending the service period

d) Finance availability with 0% interest Data Analysis: offers No. of customers Free insurance 12 Special discount 5 Extensions 18 Soft loans 25 Interpretation: Here we come to know about the various promotional techniques that attract the customers. The customers are expecting soft loans and extensions in service period from the dealers.

12. How do you feel when an unknown sales person approaches you by knowing your full details to demonstrate about any product?

a) I will not respond

b) Lost my privacy

c) Interested in knowing (if I feel a need of it)

Data Analysis:

Customer's opinion No. of customers No response 11 Lost privacy 5 Interested in knowing 34 Interpretation: This question is prepared indirectly to know the customer's opinion about the Data bank maintenance by Bike car dealers. Majority of them gave a positive reply showing an interest in knowing about the cars.

13. What's your opinion on a Brand Ambassador for the cars?

a) Very necessary

b) Not needed

c) Waste of money for manufacturer Data Analysis: Customer's opinion No. of customers Very necessary 40 Not needed 7 Waste of money 2 Interpretation: The question is meant to know the importance of brand ambassador for cars. People believe in its necessity.

14. What is your opinion about the current Ambassador Sushmita Sen for the car Bike Linea T-jet?

a) Fulfilled the purpose

b) Unable to attract customers

c) She is not apt for it. Data Analysis: Customer's opinion No. of customers Fulfilled the purpose 38 Failed 10 Not apt 2 Interpretation: People are satisfied with the current brand ambassador who fulfilled the purpose of promoting the cars.

15. What other brand(s) did you seriously consider before making this car purchase?

a) Toyota

b) Skoda

c) Maruti

d) Honda Data Analysis: Customer's choice No. of customers Toyota 19 Skoda 9 Maruti 12 Honda 8 Interpretation: This question gives an idea about the competitors of Bike cars thriving in the market. Thanks for taking the time to fill out this questionnaire and for providing valuable information. It will be used for my project work, market research studies and reports. We do not share or sell your name, address or any other data with any outside company for any purpose.

VALUABLE SUGGESTIONS GIVEN BY BIKE CUSTOMERS: —

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→ Keep Service Stations at main locations of the city where many customers feel it easy to go to service centers..

→ Please recruit efficient service men in the service centers. The service men in the service centers are unable to understand the problems told by us, and they are not resolving the cars problems.

→ Please provide information about new cars along with their price lists at least once in 6 months.

→ Advertisements through televisions can influence many categories of people. So try to concentrate on this segment. We don't see or find much of the Bike car advertisements in T.V except Linea.

-Customer should be educated about the maintenance of the vehicle. i.e. maintenance tips should be provided.

→ The quality of the sun proof coating used is of very low quality, vehicle colour is getting shaded very quickly.

→ Please send the specially appointed feedback taking staff on Sunday evenings only.

→ The sales people present in the showroom respond to us properly when we come to purchase a new car, but they do not respond when we come to tell our problems regarding the cars

7) CONCLUSION

The research examined the effectiveness of sales promotion strategies employed by Toyota and Honda brands as well as some advertising samples including messages and presenters. Besides, consumers' attitudes toward sales promotion program and other motivations or factors that influence their buying decision were also investigated. According to personal information of the respondents, the research found that most of the respondents of both groups are aged between 20 – 39 years old. It implies that most of automobile owners are working people. This demographic group of consumers has buying and demand

power for this kind of product. Most of them are well-educated with at least a Bachelor's degree. These people are also the target market of Japanese car brands like Toyota and Honda whose monthly income is from 15,001 – 25,000 baht, which is suitable for such mass products. The findings also provide important information for the two research questions as follows; 1. How do sales promotion strategies affect the automobile buying decision? The results revealed that the first group of respondents showed positive attitude towards all sales promotion strategies. Moreover, the sales promotion items received the highest rating ranging from “free gift”, “discounted prices” to “financial deals” at 35%, 35% and 60% respectively. For most of the sales promotion items, the respondents of the second group found it “very” or “extremely” important to them. “Free gift such as first class insurance”, “discounted prices” and “fair trade show” received 85%, 90% and 65% rating respectively. The second group of the respondents valued “discounted prices” and “financial deals” at 35% and 55%, which mean they were “very important” and “extremely important” respectively. “Fair trade”, “CSR” and “Tie-in” seemed unpopular among the respondents because they receive zero rating on “extremely important”. From the research findings, the respondents of both groups apparently paid special attention to sales promotion items involving prices such as “discounted prices” and “financial deals”. Moreover, free items such as first class insurance, free mileage checkup coupon and sampling like test drive were also appreciated. This is supported by Etzel, Walker and Stanton (1997 : 275). They cited that the majority of consumers are somewhat sensitive to price but are also concerned with other factors, such as brand image, store location, service, quality and social value. In relevance to the second research question, in what way does advertising influence customers' attitude toward brand and their buying decision? The findings derived from the two groups of respondents shared some similarities. Most of them stated they were influenced by advertising. Clow; & Baack (2002 : 304) described the importance of visual images. Visual images often lead to more favorable attitudes toward both the advertisement and the brand. 60% of the first group and 65% of the second one also reported that they found advertising messages appeal to them. Wells, Burnett and Moriarty (2003 : 5) explained that effective advertising should satisfy consumers' objectives by engaging them and delivering a relevant message. However, presenters in the advertisement failed to create positive mood and/or make the respondents want to own the product because they were not part of the product features nor the relevant factor for the

buying consideration. Thus, such an external factor did not influence consumers. The majority of respondents or 55% and 70% of the first and second groups respectively indicated that presenters were unable to transfer good image to their perception of product. Relevant suggestions is supported by Clow; & Baack (2002 : 356). One study conducted in Great Britain indicated that 55 percent of the consumer surveyed reported that a famous face was not enough to grab their attention. All together it was clear that a piece of advertisement comprising of elements such as pictures, messages and whether-or-not presenters had an influence on the respondents' buying decision. Advertising messages are also a vital visual part of advertising that can appeal to the respondents. This is supported by Phenglengpon's findings (2001 : 41) which concluded that marketing mix including advertising affected automobile buying decision. Automakers tried to create informative advertising about their features of product and service so that consumers were aware of what qualifications of a good car are. Nevertheless, a presenter was not effective when it came to create positive mood and 37 desire for the product. This could be because consumers found no relation between the presenter and the value they looked for in an advertisement of product. The findings of the study revealed some implications. Firstly, the main target customers of both car brands with monthly income of baht 15,001 – 25,000 paid attention to price such as financial deals. Secondly, consumers also focused on service such as aftersales service and sales representative and they form a perceived relationship with dealers. Finally, sales promotion strategies of Honda did not significantly influence consumers' attitudes about the product as there was no sales promotion item distinctly rated by consumers, whereas Toyota was more perceived as a quality brand. Honda emphasized external factor such as emotional connection reflected in advertising. Male preferred a quality car like Toyota while female preferred an image of Honda.

08) SUGGESTIONS AND RECOMMENDATIONS

- There is huge opportunity of growth for the automobile sector in the coming year, so the dealers must patiently follow the guidelines of the parent company and maintain the standard in the market.
- The company can hire the services of Curata which is a global agency in creating useful database for maintaining the demands of the customers.
- The branches can be opened in many new areas for diversification and the company should also think of providing other auto parts for its customers in order to cover the entire range of an automotive industry.
- Soft loans should be provided to the customers for safeguarding their loyalty and generating leads.
- Internal loopholes can be checked for minimizing the number of complaints received by the customers.
- Number of employees can be increased.
- The problems stated by the customers should be carefully looked into and get solve ds quickly as possible

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