

ST.MARY'S UNIVERSITY
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

AN ASSESSMENT OF SALES PROMOTION PRACTICE IN THE
CASE OF LIFAN MOTOR CARS

BY
MELAT NEGA

JUNE, 2014
SMU
ADDIS ABABA

**AN ASSESSMENT OF SALES PROMOTION PRACTICE IN THE
CASE OF LIFAN MOTOR CARS**

**BUSINESS FACULTY
ST. MARY'S UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF BACHELOR OF ARTS IN MARKETING MANAGEMENT**

**BY
MELAT NEGA**

**A SENIOR ESSAY SUBMITTED TO THE
DEPARTMENT OF MARKETING MANAGEMENT**

**JUNE, 2014
SMU
ADDIS ABABA**

ST. MARY'S UNIVERSITY

**AN ASSESSMENT OF SALES PROMOTION PRACTICE IN THE
CASE OF LIFAN MOTOR CARS**

**BY
MELAT NEGA**

**FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT**

APPROVED BY THE COMMITTEE OF EXAMINERS

Department Head

Signature

Advisor

Signature

Internal Examiner

Signature

External Examiner

Signature

ACKNOWLEDGMENTS

First and for most, I would be glad to extend my deepest gratitude and appreciations to my advisor W/o Helina Mohammed for his unreserved effort in providing me all the necessary guidance and supervision at all steps of the work. His critical comment and encouragement have contributed a lot to the successful completion of the study.

Finally, I would like to extend my sincerer indebtedness to all my family members for their moral and financial supports.

TABLE OF CONTENT

Title	Page
Acknowledgement	i
Table of contents	ii
List of tables	iv
CHAPTER ONE	
INTRODUCTION	
1.1. Background of the Study	1
1.2. Statement of the Problem	2
1.3. Basic Research Questions	3
1.4. Objective of the Study	3
1.4.1. General Objective	3
1.4.2. Specific Objectives	3
1.5. Significance of the Study	3
1.6. Delimitation of the Study	4
1.7. Research Design and Methodology	4
1.7.1. Research Design	4
1.7.2. Population and Sampling Techniques	4
1.7.3. Type of Data Collected	4
1.7.4. Method of Data Collection	5
1.7.5. Data Analysis Methods	5
1.8. Limitation of the study	5
1.9. Organization of the Study	5
CHAPTER TWO	
REVIEW OF RELATED LITRATURE	
2.1. Overview of Sales Promotion	6
2.1.1. Meaning and Definition of Sales Promotion	6
2.1.2. The Nature of Sales Promotion.....	7
2.1.3. Advantage of Sales Promotion.....	8

2.1.4. Benefits of Sales Promotion.....	8
2.1.5. Role of Sales Promotion	9
2.2. Challenges of Sales Promotion	10
2.2.1. Need and Problem Identification	11
2.2.2. Strategies for the Success of sales promotion	13
2.2.3. Types of Sales Promotion	14
2.3. Major Tools of Sales Promotion.....	15
2.3.1. Installment Selling	16
2.3.2. Retail Selling	17
CHAPTER THREE	
DATA ANALYSIS, PRESENTATION AND INTERPRETATION	
Introduction	19
3.1 Analysis of the Questionnaire	20
CHAPTER FOUR	
SUMMARY, CONCLUSION AND RECOMMENDATION	
4.1. Summary of the Major Finding	32
4.2 Conclusion	34
4.2 Recommendation	35
Bibliography	
Appendices	

List of Tables

Table 1:- Personal Characteristics of Respondents.....	20
Table 2:- The sales promotion practice on the Creating Awareness for its Customers about its Products	22
Table 3:- The sales promotion practice in Creating Positive Image and Motivation.....	24
Table 4:- The awareness creating capacity of the company sales promotion.....	26
Table 5:- Challenges, Mechanisms and Contribution of Sales Promotion Practice.....	27
Table 6:- the Company's Overall Information Availing Strategy	29
Table 7:- the Company Performance in Collecting Comments and Taking Corrective Actions.....	30

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Sales promotion is often used to provide a short sharp shock to sale. In sense it may be regard as a short-term tactical device. The sale promotion boots sales during the promotion period because of the incentive effect. This is followed by a small fall in sales to below normal level because some consumer will has stock up on the product during the promotion (Jobber, 2001). According to Kumar and Mittal (2002), sales promotion is an action which increases at the volume of sales. In broad sense, the term 'sales promotion 'refers to all activities of personal selling, advertising and promotion led to the enhancement of sales. Moreover, according to (Baker;1990) the role of sales promotion is to gain customer and convert them to regular users in particularly for or improved products to widen the distribution of a product and reduce sales peaks through and maintain economic production level that the effect of a price increase, also to create new interest in established of a product and improved result from in store display.

Promotion has been defined as the condition of all seller initiated efforts to set channels information and in order to sell goods and services and promote idea. Basic tools used to accomplish organization communication objectives and often referred to as promotion mix. Promotional mix includes for elements advertising, sales promotion, and publicity: public relation and personal selling. Advertising is paid non personal communication about an organization and its products that is transmitted to a target audience magazines direct mail and mass transit vehicles of outdoor display (Belch; 2003).

Lifan Motors established in Addis Ababa Ethiopia in December 9,2009 it experience on assembling and distributing cars in the local market. The company operates with an initial capital 5 million USD dollar. It has over 200 employees, 30 office workers. It has engineer team from China to give the local employees basic technical training. The sales office is located at Kazanchise NGF building and also the service room station located at Kara in front of the count office the former garage of ultimate motors with modern equipment and skilled man power.

Lifan Motors is provide products like automobiles and their parts improved from China that assembled at major and the company give after sale service station with full of recourse Previously the company works only in Addis Ababa but now on progress to open dealer's office on Hiawasse, Mekele, Dire Adwa and Bihar Dar. The company offer the cars and their spare parts with fair price; in addition there is a discount on the sales the Ethiopian holiday time. Among five promotion mixes the company is using four of them which are advertising, personal selling, sales promotion and public relation.

1.2 Statement of the Problem

Sales promotion has become an important tool in developing products symbolization, which is important in increasing the value of the product that consumers use is self-expression. Many create awareness, interest and adoption of the product because it has provided an opportunity for evaluation and trial and finally confirmation of brand loyalty (Mishra, 2004). Sales promotion should be included in a company's promotion plan, along with advertising and personal selling this means setting sale promotion objective and strategies determining a sales promotion budget and selecting appropriate sales promotion techniques (Michael, 2001).

Sales promotion process involves on elaborate plan to assure that the money spent on promotion worth the effort and the subsequent result. The sender in the company that decides to create sales in the target market or any other audience to which the sales promotion message is diverted (Benue, 2002).

Lifan motors use only three techniques of sales promotion, Rebate: - under rebate products are offered at some reduced price in order to clear the excess stock. Discount: - In this method customers are offered products on less than the listed price. Coupons: - coupon is a kind of certificate telling that the product mentioned there in can be obtained at special at special discount. It means that if a customer has a coupon of some product he will get the discount mentioned therein whenever he buys it. Possession of a coupon motivates the consumer to buy the product, even when he has no need of it. Such coupons are published news and magazines. The company distributes coupons among its shareholders; sellers collect the coupons from the customer and get the payment from the company that issued the same.

Based on the preliminary study performed by the student researcher has been found the following problems on the performance of sales promotion practice of the company; the sales promotion practice of the company is not contribute as expected as an important tool in developing products. It is not persuades the buyers of the competitor's product to shift to the product of the company. It is not helps develop brand loyalty. It has symbolization, which is not important as expected in increasing the value of products that consumers use in self-expression. Therefore the sales promotion practice of the company does not create awareness, interest and adoption of the product.

1.3 Basic Research Question

The study was try to answer for the following basic research questions;

1. What are the challenges of sales promotion practice?
2. What is the role of sales promotion on the increasing the sales volume of the company?
3. How the company use sales promotion to it target market?
4. What criteria do the company use to select the sales promotion techniques?

1.4 Objectives of the Study

1.4.1 General objective

The general objective of the study was to assess the sales promotion practice of the LIFAN motors cars.

1.4.2 Specific objectives the Study

1. To assess the challenges of sales promotion practice of the company.
2. To assess the role of sales promotion on the increasing the sales value of the company.
3. How the company use sales promotion to it target market.
4. To identify criteria that the company use to select the sales promotion techniques.

1.5. Significance of the Study

Mainly this study was important to the student researcher in doing the cross match of the theoretical aspect with the real marketing practices. It will also be useful for other

researchers who may be interested to conduct research in similar topics. In addition to this, the study had an importance to Lifan Motors as an input for decision making.

1.6. Delimitation of the Study

This study is delimited to sales promotion practice of Lifan Motors. The study was delimited on the head office found in Addis Ababa around Kalitay and one branch which located around Kazanchise. Similarly the student researcher was review the sales promotion practice of the company on 2010-2014 G.C. so as to have a reliable data.

1.7. Research Design and Methodology

1.7.1. Research Design

In order to answer the above basic research questions, the student researcher was used descriptive research method. Descriptive research method helps to describe the research setting as it is and also allows the use of both quantitative and qualitative approach. According to Malhotra (2007), descriptive research primarily aims at gathering knowledge about description and explanation of the objectives of the study. The student researcher simply describes the things, events, and data which were collected through questionnaires and interviews.

1.7.2. Population and Sampling Techniques

The target population of the study was the marketing manager and the final customers of Lifan Motors. The student researcher was used non-probability sampling approach, particularly convenient sampling technique. Due to the difficulty nature of determining sample size of the customers of Lifan Motors the student researcher was used Malhotra's (2006, 329) suggestion of 150 respondents customers as representative sample in order to have sufficient and reliable data.

1.7.3. Types of Data Collected

The student researcher was used both primary and secondary data. The primary data was collected from customers and head of the company marketing department. The secondary data was gathered from reference books, internet and previous researches.

1.7.4. Methods of Data Collection

The student researcher was used both open and close ended questionnaire, and interview to collect primary data. The secondary data was gathered through referring different text books, internet and published and unpublished data of the corporation; related with the subject matter.

1.7.5. Methods of Data Analysis

The study was used both qualitative and quantitative data analysis techniques. The responses that were collected from open ended questionnaires were analyzed by quantitative approach and presented by tabulation and percentage. Responses that were obtained through close ended questionnaires and interview was narrated qualitatively.

1.8 Limitation of the Study

In this study the student researcher faced so many obstacles, among these the major ones were financial constraints, lack of reference book and insufficient time. For the above limitation the student researchers have tried to solve by finding few co-operative friends and relations to solve the financial problem. Secondly, the student researchers used other University to solve the lack of reference, finally, the student researcher taken an agreement with my parents to give time form study.

1.9 Organization of the Study

The study was organized in four chapters; the first chapter gives an introduction which includes: background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, scope of the study, research design and methodology and organization of the study. The second chapter including review of related literature. The third chapter was present data presentation, analysis and interpretation finally, the summary conclusions and recommendations were presented.

CHAPTER TWO

REVIEW OF RELATED LITRATURES

2.1. Overview of Sales Promotion

2.1.1. Meaning and Definition of Sales Promotion

Sales promotion covers every inch of the field of business and leaves no stone unturned that hides a customer. The manufacturer who introduces a new line of goods will constantly use the advertising mediums that make general publicity profitable and his instructions to salesmen that dealers be notified of the advertising in the magazine or local papers will stimulate the retailers' interest and make the initial order easier to secure. The retailer belongs to the "show me" class. He has store space limitations and a moderate bank account and neither of these will allow him to indulge in indiscriminate buying on promises made by the (Banik, 2004:38).

Sales promotion is a well known method of conveying selling messages to numerous prospective customers. It has become increasingly important to business enterprises both large and small. The seller's goal is to get enough relevant market data to development accurate profile of buyers to find the common groups for communications. The objective advertising were traditionally stated in terms of direct sales. Now, it is to billboard advertising as having communication objective that seeks to inform persuade and remind potential customers of the worth of the product (Kotler; 2005: 468).

Advertising along specialized lines, but he is willing to have the manufacturer shoulder this part of the burden. Leave the retailer to his own devices and he will not order until demand forces him and while demand is reaching the maximum sales are being lost because the goods are not carried in stock. This constitutes a strong argument in favor of advertising plus salesman- ship as they exemplify the two paths of least resistance over which merchandise travels from the manufacturer to the consumer. The advocates of salesmanship alone constitute such a small class that they are hardly worth considering (Milner; 2004:38).

They are in the main, old fogies who have established and successfully conducted businesses of magnitude. Sometimes they are descendants of the old, staid, and conservative tradesmen. Their motto is "Remove not the landmarks thy fathers have set." The "salesmanship only" house despises

advertising and holds its customers by sheer force of respectability and the name of the house. It never advances but is retrograding as the current of advertising plus salesmanship washes it slowly towards the beach of oblivion (Koooper; 2004:38).

2.1.2. The Nature of Sales Promotion

According to Milner, (2004, 399) sales promotion is the management of the overall selling effort in an organization in order to increase sales while creating awareness at the same time. So let us look at some aspect of personal selling to see what sales manager manage. The term marketing mix describe the combination of four ingredient that constitute the core of company's marketing system when these four product price, distribution and promotion are effective blended they form marketing program that provide want satisfying good service to the company's market.

During the early stage in evaluation of marketing management sales promotion, narrow in scope the major activity where recruiting and selecting sales force and then training supervising and motivating and many sales exaction are responsible for strategic planning forecasting budget territory design and sales cost analysis as well as more traditional activities sales manager must see that all of these objectives. These objectives are carried over from one period's promotional programs to the next (Couper;2003:356)

A marketing manager should have authority over the advertising department, but where he has it not, he should learn to avail himself of it and work in harmony with it. Tact does it. A salesmanager should be broad in his views, liberal towards the views of others, electric in policy, and ready to accept and utilize ideas from all sources. His effort should be directed toward the discovery of the best method of selling his merchandise. He should work in harmony with his employer and make due allowance for his probable and give due respect to his employers' opinions, even whenopposed to his own. He must secure co-operation and not invite opposition from his fellow employees or subordinates. He must work and keep everlastingly at it. No hard and fast rule can be formulated, covering all of the duties of a sales manager (Belch; 2004: 392).

2.1.3. Advantage of Sales Promotion

Sales promotion is very essential requisites to the conduct of business from the highest to the lowest, from the general manufacturer to the retail this involves upon the one hand millions of dollars' worth of white space filled by the big fellow, and hundreds of high salaried traveling salesmen employed under the direction of a still higher salaried marketing manager. In its lowest form it comprehends a \$5 a week clerk behind the counter in the store on the side street, and the modest two inch advertisement in the daily or weekly country paper. The principle only remains unchanged and the results are proportionately the same. Advertising alone may get the attention of the customer. The retailer must secure this attention; otherwise his goods remain upon the shelves. That the strongest advertising medium between the manufacturer and the consumer cannot produce maximum returns outside of the mail order business has been proven so often as to require no further comment (Belch; 2004: 389).

According to Kooper, (2004: 391) some of the advantages of sales promotion are: Increase sales: sales promotion allows the producer to increase sales at the same time create awareness of the product in the minds of customers and prospects. Ability to Reach Specific Groups: because some products appeal to only small market segments, it is not feasible to engage in advertising and /or promotions to reach them. if the firm does not have the financial capabilities to engage in promotional expenditures, the best way to communicate to these groups is through sales promotion. Lead Generation: information about technological innovations, medical breakthrough, and the like results almost immediately in a multitude of inquiries. These inquiries may give the firm some quality sales leads. Image Building: effective public relation helps to develop a positive image for the organization. A strong image in on insurance against later misfortunes.

2.1.4. Benefits of Sales Promotion

According to Milner, (2004: 158) sales promotion is an indispensable tool in today's management of both public and private sector organizations. With the tremendous growth of business and commerce, the need for public relation has assumed a new meaning. In every field, be it a public, a private sector organization, an educational institution or a government department there is a need for public relations. Indeed it is an essential service to ever body that

has ideas, products, services, or a cause to promote.

The modern management of any business has to enlist the participation and support of its workers to realize its objectives, winning confidence and trust of its shareholders, clients and the public at large, thereby fulfilling its social obligations. Therefore, in the modern management sales promotion is the total communication activity of the organization to achieve its planned objectives (Kumar, 2001; 213).

An organization's internal image and the moral of the work force greatly depend on the flow of communication. Organization which has successfully launched a program for the flow of information through internal communication has been branded as modern and sympathetic. On the other hand organizations which refuse to communicate with their internal constituents and take them granted, fail to effectively handle the flow of internal communication, and on many occasions are forced to face undesirable consequences (Jobber,2001;165).

It is today accepted as a management function in the formulation of policy and decision making. It is the way in which an organization makes and keeps contact with those who affect its life and growth. The skilful management of sales promotion reinforces the growth and developmental process of an organization. It is in this context that more and more attention is being given to effective use and application of sales promotion for the growth of an organization (Kummar and Mittal, 2002;234)

2.1.5. Role of Sales Promotion

The emergence of sales promotion as a discipline of management gathered momentum every since there was awareness in business about bulk seling. The importance of communication in establishing rapport with various sections of the people within and outside the organization has been long acknowledged before the business organizations came into existence. Today business cannot be viewed as an activity in isolation. It is part and parcel of our life irrespective of what the profession, vocation, and avocation may be (Black, 2005: 46).

It is the sub-system of the state, nation, and the global activity. Therefore, it has to interact constantly with various organs of our society in order to fulfill its business objectives. It is equally important for business to be concerned about what is happening around it in social,

political, and technological fronts (Koopers, 2004; 201)

The territorial agent is a salesman of ability and is usually on a commission basis. He should possess many of the qualities that enter into the make-up of the sales manager who has a large number of salaried traveling men under him. Indeed, he should possess all of these qualities, because his own commissions are entirely dependent upon the money-making qualities of the selling agents under him. So much for generalities now, to review briefly some of the things that go to make the successful commission man whose work brings him in direct contact with the consumer (Belch; 2004: 393).

According to Banik, (2004: 37) in rapidly changing business markets, the most competitive business are increasingly proving to be those which are responsive to the rising expectation of the stake holders in the communities in which they do business. In this environment it is useless for a company to claim being a "good corporate citizen" unless it is prepared to accept the needs of the total corporate social responsibility.

Social responsibility must be built in to the management structure and operation of the company. to adopt an approach towards corporate social responsibility requires a major effort especially on the part of top managers who not only have to take in inculcating social responsibility into daily work routines, but also to make sure they are seen doing so. A business reputation as a good corporate citizen has to be the responsibility of every employee (Krishna,et al,2007;345)

2.2. Challenges of Sales Promotion

According to Banik, (2004:39) the main challenges faced by sales promotion is not having established trade, established trade is the best from the time-saving stand- point. When a salesman has the confidence of customers who have been dealing with him for a number of yearshis time is largely limited to a call, a "how-do-you-do,"an order or a refusal. If he gets the order he knows thathis customer needs the goods. If he gets a refusal heknows that it would be time wasted for him to stop and argue with the buyer who already knows his stock andso the "get up and go" salesman has plenty of time in which he may make new customers. One of the most

important factors to success lies in the securing of names of those to be approached. Knowledge of the people themselves, their habits, customs, and surroundings will also help the salesman to be at ease and to interest those approached through the sheer force of personality that appeals to the man himself, by using information that is of no interest to him.

Intelligence and common school education are necessary. His knowledge of the merchandise he represents must be comprehensive enough to permit him to talk intelligently, bring out the strong points, and hide the weak points. A thorough technical knowledge of the goods is not demanded, but an ability to exploit the merchandise and convince the customer that the investment will be a safe one is desirable. Lack of accommodations frequently spoils "trade. It is much pleasanter to do one's shopping in a store where wide aisles and spacious resting rooms prevail, and in spite of the goods advertised, in spite of special inducements, and in spite of everything the commodious store wins out over its more crowded competitor. With convenience the advertising manager can be abetted. Without it, he loses a certain amount of his selling force, not through any fault of his own, but through the failure of a short-sighted management. The book-keeping and delivery departments are factors in success or failure (Couper; 2003: 381).

Here again is demonstrated the ability or the lack of ability of employees. Your well conducted book-keeping department makes out its bills promptly and accurately. Some people are very sensitive upon the subject of receiving bills. In most cases people of good financial standing desire these bills upon a certain day. In all cases they desire accurate bills. Let the book-keeper or his assistant fail to observe these requirements, and then the store in question falls in the estimation of its customer (Baker, 1990; 165).

2.2.1 Need and Problem Identification

Most salespeople have a range of product to sell. A car sales person has many models ranging in from small economy to cars to super luxury top-of the range models. A computer sales person may carry out a survey or customer requirement prior to suggesting an appropriate computer system. A pharmaceutical sales person will discuss with doctors the problem which have a risen with patient treatment. Perhaps an ointment has been in effective or a harmful side-effect has been discovered. This gives the sales person the opportunity to offer solution such problem by means of one of his or her company product. This need analysis approach suggests that early in

the sales process the sales person should adopt a question and listen positive. In order to encourage the buyer to discover his or her problem and need salespeople tend to use open rather than closed question. (Banik, 2006:128).

The Presentation and Demonstration

Kooper (2004:129); stated that once the problem and needs of buyer have been identified the presentation follows as a natural consequence. The key to this task is to recognize that buyers purchase, benefits and are only interested in product features in as much as they provide the benefits that the customer is looking for. Many sales situations involve risk to the buyer, No matter what benefit the salesperson discuss, the buyer may be reluctant to change from the present supplier or change the present model because to do so may give rise to unforeseen problem delivers may be unpredictable or the new model may be unreliable. Assurance from the sales person themselves unlikely to do totally convincing after all they would say that wouldn't they. The sales person accurately identifies customer needs and release product benefit to those needs (Kotler, 1996:109).

1- Dealing with Objection

Objections should not always be viewed with dismay by salespeople. Many objections are simply expressions of interest by the buyer. What the buyer is asking for is further information because he/she is interested in what the salesperson saying. The problem is that the buyer is not yet convinced. Objectives highlight the issues which are important to the buyer. For example Ford when training salespeople make the point that a customer's objection is a signpost to what really on his mind. (Mittal, 2002:130).

2- Negotiation

In some selling situation, the sales person or sales team have a degree of discretion with regard to the terms of the sales, negotiation may therefore enter into the sales process sellers may negotiate price credit terms, delivery times trade invaluable and other aspects of the commercial transaction. The deal which is arrived at will be depended up[on the balance of power (Banik, 2004:106).

3- Close the Sales

The skills and techniques discussed so far are not in themselves sufficient for consistent sales success. A final ingredient is necessary to complete the mix the ability to close the sales. Some

salespeople believe that an effective presentation should lead the buyer to ask for the product without the seller needing to close the sales himself/herself (Belch, 2004:217).

4- Follow Up

This final in the sales process is necessary to ensure the customer is satisfied with the purchase and that no problems with such factors as delivery installing product use and training have arisen. Salespeople may put off the installation product use and tracking have arisen salespeople may put off the follow up call because it does not result in an immediate order however for most companies repeat business is the hall mark of success and follow up can play a massive role, (Kotler, 2005:211).

2.2.1. Strategies for the Success of Sales Promotion

There might be many factors which have an influence on the practical sales promotion activities of any organization. Couper (2003: 383) recommended the following factors should be considered prior to any sales promotion activities implemented. These activities are setting sales promotion objectives, identifying the company target group identifying the appropriate sales promotion tools and activities shall be specified; i.e. setting standard, selection of personnel of promotion department and availability of technology.

One of the most important factors to success lies in the securing of names of those to be approached. Knowledge of the people themselves, their habits, customs and surroundings will also help the salesman to be at ease and to interest those approached through the sheer force of personality that appeals to the man himself, by using information that is of no interest to him but getting this information is difficult (Kotler, 2005; 214).

The basis of the sales promotion is the inquiry and the inquiry presents more chances for successful selling than does the salesman who visits the individual buyer. In order to create the inquiry interest must be excited. Indeed it is patent that every inquiry must have, the motive power of interest back of it, eliminating, of course, the idle letters that come from curiosity seekers and those after "something for nothing." The traveling salesman's road is harder. He must be at once the advertisement that creates the interest and the follow-up system that produces the sale. He does not always have the advantage of pre-excited interest or the privilege of talking of his goods to the merchant who has already exhibited a desire to know and to buy. Therefore, it stands that the letter of inquiry is the advance agent of a sale and that it is the result of the

salesman qualities exhibited in the advertising and follow up (Belch; 2004: 394).

The problem of selling the perishable necessities of life by using sales promotion is hard, but if solved it would confer a lasting benefit upon increased sales. The customer who runs bills with his various local dealers is bound by no agreement providing a penalty to pay within a certain specified time. The loose methods of the retailer's credit system are notorious and ineffective, and many a retailer has met his financial Waterloo by extending credit to the unworthy and the unfortunate. The public is badly trained and expects to run bills regardless of time, to be paid at the public's own convenience. This necessitates the retailer establishing a flexible credit with his jobber, who in turn must have a proportionately large credit with the manufacturer and operator (Kummar and Mittal, 2002; 298).

Personal selling involved selling through a person to person communication process of factors placed on personal selling varies from two firms depending on variety of factors include the nature of the product or service being marketed size of the organizational and type of industry personal selling often play the dominant role in industrial firms which in order to other such as makes of low-priced consumer non-durable goods its role is maximized. In many industries those roles are changing to more balance end use of promotional program elements. In an integrated marketing communication program personal selling is a partner with not a substitute for other promotional mix element (Milner; 2004: 395).

Some sales representative will put in the most best effort without any special coaching from management. To them selling is the most fascinating job in the world. They are ambitious and self-starters. But the major of representative require encouragement and special incentives. This is especially true of field selling (Jobber, 2001;177).

2.2.2. Types of Sales Promotion

According to Baker,(1990: 238) it is important to evaluate the effectiveness of the sales promotion efforts. In addition to determining the contribution of this program element to attaining communication objective the evaluation offers other advantages: It tells management what has been achieved through sales promotion activities. It provides management with a way to measure sales promotion achievements quantitatively. It gives management a way to Judge the

quality of sales promotion achievements and activities.

Simon, (2004: 240) further suggests the following additional means for accomplishing this evaluation process. Personal Observation and Reaction: personal observation and evaluation by one's superiors should occur at all levels of the organization. Public Opinion and Survey: Research in the form of public opinions surveys may be used to gather data to evaluate program goal attainment. Audits: Both internal and external audits may be used. Internal audits involve evaluation by superiors or peers within the firm to determine the performance of the employee (or his or her programs). External audits are conducted by consultants, the client (in the case of a public relation agency). Or other parties outside the organization. Management by Objective: executives and their managers act to together to identify goals to be attained and the responsibility of the managers. These goals are then used as a standard to measure accomplishments. Matching Objectives and Results: specific objectives designed to attain the overall communication objectives should be related to actions, activities, or media coverage.

2.3. Major Tools of Sales Promotion

According to Belch, (2004: 396) for the sake of increasing sales as well as creating awareness for customers prospects there are different tools a company's marketing department can make use of among others the following are some of the major tools: Rebate: - under rebate products are offered at some reduced price in order to clear the excess stock. For example, giving a rebate by a car manufacturer to the tune of 12,000 for a limited period of time. Discount: - In this method customers are offered products on less than the listed price. Refunds: - under this method, some part of the price of an article is refunded to the customer on showing proof of purchase. Product Combination: - under this method, along with the main product some other product is offered to the customer as a gift among this gift. Some examples are: -Quantity gift: - some extra quantity of the main product is passed on as a gift to the buyer. Instant Draw and Assigned Gift: - A customer is asked to scratch a card on the purchase of a product and the name of the product is inscribed there upon which is immediately offered to the customer as a gift. Lucky Draw: - The customers of a particular product are offered gifts on a fixed date and the winners are decided by the draw of lots. While purchasing the product, the customers are given a coupon with a specific

number printed on it. Coupons: - coupon is a kind of certificate telling that the product mentioned therein can be obtained at special at special discount. It means that if a customer has a coupon of some product he will get the discount mentioned therein whenever he buys it. Possession of a coupon motivates the consumer to buy the product, even when he has no need of it. Such coupons are published news and magazines .some companies distribute coupons among its shareholders .sellers collect the coupons from the customer and get the payment from the company that issued the same. Full Finance at 0%: - a product is sold and money received in installment at 0% rate of interest. The seller determines the number of installments in which the price of the product will be recovered from the customer. No interest is charged on these installments. Samples or Sampling: - the producer distributes free samples of his product among the consumers. Sales representatives distribute these samples from door-to-door. This method is used mostly in case of products of daily use such as toothpaste, tea, etc. thus, the consumers willingly make use of free samples, and if satisfied they buy the product, in this way sales is increased. Contests: - some producers organize contests with a view to popularize their products. Consumers taking part in the contest are asked to answer some very simple questions on a form and forward the same to the company. The blank form is made available to the consumer who buys the product first. Result is declared on the basis of all the forms received by a particular date. Attractive prizes are given to the winners of the contest. Such contests can be organized in different ways.

2.3.1. Installment Selling

Explaining the main points in this now very important branch of business, also containing a suggestion to the retailer, whereby he may improve his credit system. to every one disgruntled, disgusted "victim" of the installment business there are one hundred wellpleased, contented beneficiaries of this new and very satisfying method of selling to the moderately well to do and the "just get along." This chapter has not to deal with the ethical side of the partial payment plan, nor will it go into an exhaustive analysis of the conduct of the business. Enough to say that the modern installment house retains just as much confidence of its patrons as does the credit department store and the smaller retailer who handle accounts upon the monthly basis or for cash, and the enemies of this system are usually those who have failed to live up to the very easy and often self-suggested terms of payment (Couper; 2003: 385).

The beginning of selling on the installment plan is advertising. Considering the scope and magnitude of the business, taken as a whole, it is safe to say comparatively speaking, that more money is expended in newspaper installment publicity than is expended by any other branch of retail selling. Up until the present the advertising campaign has been one of education an education that has led thousands from the state of trust and doubt into the light of confidence (Jobber; 2001: 285).

The greatest difficulty to overcome in the firm establishment of installment in this country was the prejudice held by the public to the effect that partial payment dealers were "sharks," charging exorbitant rates of interest on goods purchased, holding the purchasers down to agreements whereby they could be deprived of all of their property and even personal liberty in event of failure to pay. It may be said in passing that such a condition did exist and that the public did receive this warning from the many ugly court scrapes that resulted from the pressure brought to bear by installment people on unwilling debtors (Kotler; 2005:175)

It is also true that this business was formerly conducted with a much larger percentage of profit and that comparatively worthless merchandise was sold at exorbitant prices, the installment sharks, as they were then known, claiming that their investments, huge book accounts and losses from absconding debtors compelled them to take it out of the pocket books of their customers. Bearing these things in mind it will be seen that selling on the partial payment plan was originally conceived and run under a cloud (Milner; 2003: 285).

2.3.2. Retail Selling

The basis of effective selling in retail lies in advertising, and the term comprehends not only the use of newspaper space but also the very effective window displays which now characterize every up-to-date and modern retail establishment. This does not mean that the retail salesman is a factor to be despised, but it rather argues advertising as a starting point the basis upon which successful retail establishments are built and conducted. The subject of this article is "co-operation in the retail store," and the writer will try to explain how the cooperation of all departments with the advertising department will strengthen the whole fabric (Milner; 2004: 248).

The effective force of retail selling is lessened and sometimes entirely destroyed, through the failure of employees to properly back up advertising failure caused by both sins of omission and sins of commission. While not decrying the unit value of the salesman and his individuality as it makes for success, the writer nevertheless believes that there are "line" stores and department stores that are unable to hold together a force of sub-managers and clerks who will work for the best interests of the firm (Kummar and Mittal; 2002: 267).

In all lines of business there are certain individuals who exhibit indifference, surliness, and lack of cohesiveness to the serious detriment of the whole, and nowhere is this more apparent than in the retail store where long hours and meager salaries sap the energy, intelligence, and willingness of employees. They fail to realize that their interests are closely bound to those of the firm employing them, and it is little wonder that dissatisfied customers leave such establishments, never to return. Thus we see that the dissatisfied selling force will militate against advertising and destroy much of its force (Belch; 2004: 318).

A little incident will be apropos here, and while it does not directly concern a retail establishment, it nevertheless has to do with that department of a railroad which retails tickets to travelers. The writer had occasion to journey to Detroit recently and, selecting that which he considered the best road out of Chicago, he repaired to the city ticket office. A sign upon the door notified travelers that the location of the office would be changed within the next few days. This was news to the writer and upon approaching the clerk at the desk he remarked pleasantly, "I see you are about to move your office; are they going to tear this building down (Milner; 2004: 248).

CHAPTER THREE

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

Introduction

This section of the research incorporates the analysis, interpretation and discussion of the data obtained from sample respondents. The data were gathered from the customers of Lifan Motors through the use of questionnaires and structured interview.

The sample respondents were taken from the customers of Lifan Motors in Addis Ababa by using non-probability sampling technique. 150 copies of questionnaire were distributed to the customers of the company, out of which 124 (83 %) of them were cooperated in filling and returning the questionnaire. Whereas, the remaining 16 (17) of them were not able to return the questionnaire due to unknown inconveniences.

3.1 Analysis of the Questionnaire

Table 1:- Personal Characteristics of Respondents

No	Item	Alternatives	No of respondents	Percentage (%)
1.	Sex	Male	85	68.5
		Female	39	31.5
		Total	124	100
2.	Age	18-30	23	18.5
		31-43	67	54.1
		44-56	34	27.4
		56 and above	-	-
		Total	124	100
3.	Educational background	Masters degree	7	5.6
		Degree	42	33.8
		Diploma	32	25.8
		Certificate	14	11.2
		12 th grade complete	29	23.4
		Other	-	-
		Total	124	100
4.	Occupation	Government employee	34	27.4
		Private employee	63	50.8
		Self employed	27	21.8
		Other	-	-
		Total	124	100

Source; own survey

As can be seen from item 1 of table 1 showing customers sex distribution out of 124 respondents 85(68%) were male and 39 (31.5%) were female. Based on the data majority of the respondents were male. This shows that majority of the customers of the company are males than females.

Item 2 of the above table indicates the age distribution of the customers of the company which the figure implies that 23(18.5%) were in the age range of 18 – 31 years old, 67(54.7%) of the were between 31 – 43 years of age, 34(27.4%) of them were between 44 – 56 and none (0%) were in the category of 57 and above years old. Based on the data majority of the respondent were young and adults.

Item 3 of the above table mentioned indicates the educational background of customers 42(33.8%) of them were degree holders, 32(25.8%) of them were diploma, 29(23.4%) of them were 12th grade complete and 14(11.4%) of them were at certificate level and 7(5.6%) of them were master degree. Based on the data majority of the respondents were degree holder. This shows that the respondents can understand the question and respond towards the concept of sales promotion practice of the company.

Item 4 of the above table shows that the occupational background of the customers of the company, among the respondents 63(27.4%) of them were private employees, 34(27.4%) of them were government employees and the rest 27(21.8%) of them were self employed. Based on the data majority of the customers are private employees. This implies that the company's customers comprise more of private employees than government and self employed customers which may be associated with affordability.

Table 2:- The Sales Promotion Practice on the Creating Awareness for its Customers about its Products

No	Items	Alternatives	No of respondents	Percentage(%)
1.	The company performs better in creating awareness of the product in the minds of customers and prospects.	Strongly agree	17	13.7
		Agree	11	9
		Neutral	25	20
		Disagree	63	50.8
		Strongly disagree	8	6.5
		Total	124	100
2.	How do you evaluate the company by the ability to reach specific groups in order to appeal to only small market segments?	Very high	-	-
		High	34	27.4
		Medium	86	69.4
		Low	4	3.2
		Very low	-	-
		Total	124	100
3.	There are different tools a company's marketing department is using for the sake of increasing sales as well as creating awareness for customers prospects.	Strongly agree	-	-
		Agree	32	25.8
		Neutral	27	21.7
		Disagree	49	39.5
		Strongly disagree	16	13
		Total	124	100

Source; own survey

As can be seen on the item 1 of table 2 indicating the company's performance to better create awareness about its products in the minds of its customers, 63(50.8%) of the respondents disagreed, 25 (20%) of them were neutral, 11(9%) of them agreed, 17(13.7%) of them strongly agreed and the remaining of them, i.e. 8(6.5%) were strongly disagreed. Based on the data majority of the respondents disagreed regarding the performance of the company in creating a

better awareness in the minds of its customers about its product. This implies that the company is not performing efficiently as far as awareness creation is concerned.

Item 2 of the above table evaluates the company's ability to reach specific groups in order to appeal to only small market segments, 86 (69.4%) of the respondents evaluated it as medium, 34 (27.4%) of them as high and the rest 4(3.2%) evaluated it as low. Base on the data majority of the respondents evaluated the company's ability to reach specific groups as moderate. This implies that the company insignificantly performing regarding its ability to reach specific groups to appeal to only small market segments.

As the manager replied earlier, different determinants are taken into account in order to place in action the appropriate sales promotion which can boost the company production and utilize the satisfaction of its customers. The company undertakes small scale researches so as to come with the best and appropriate sales promotion that can suit the demand.

As the manager replied that the company uses the same sales promotion techniques for different target markets this is because the majority of the customers of the company are found in the urban areas of the country.

The last item of the above table, item 3, shows the different tools the marketing department of the company uses for the sake of increasing sales as well as creating awareness for prospect customers, 49(39.5%) of the respondents were disagree, 32(25.8%) of them agreed, 27(21.7%) of them neutral while the remaining 16 (13%)of them strongly disagreed. Based on the data majority of the respondents was disagreed regarding the different tools the company uses in order to increase sales as well as creating awareness to prospect customers. This implies that the customers are unaware about the different tools the marketing department of the company uses.

The marketing manager of the company replied that due consideration is taken in order to implement the sales promotion practice. Cautious considerations like the timeliness, appropriateness and compatibility of sales promotion practices with its current and potential customers is taken under due emphasis.

Among other strategies that could boost sales volume, sales promotion play a major role in doing so as the manager replied. For such demanding market, besides production capacity, sales promotion that are appropriate for cultural, societal and different market segment affect the company's sales volume positively. This has been proved through the operation cycle of the company in the past years.

Table 3:- The Sales Promotion Practice in Creating Positive Image and Motivation

No	Items	Alternatives	No of respondents	Percentage(%)
1.	How do you evaluate the company sales promotion practice compared with the competitors?	Very high	32	25
		High	12	9.6
		Medium	38	30.6
		Low	42	33.8
		Very low	-	-
		Total	124	100
2.	The sales promotion performance have a great contribution on the development of positive imagefor the organization?	Strongly agree	27	21.8
		Agree	45	36.2
		Neutral	14	11.4
		Disagree	38	30.6
		Strongly disagree	-	-
		Total	124	100
3.	The sales promotion practice of the company is motivating the existing customers to come again.	Strongly agree	35	28.3
		Agree	21	17
		Neutral	17	13.7
		Disagree	47	38
		Strongly disagree	4	3
		Total	124	100

Source; own survey

As can be seen from item 1 of table 3 shows the evaluation of the company's sales promotion practice when compared with its competitors, 42(33.8) of the respondents evaluated it as low, 38(30.6%) of them as medium, 32(25%) asvery high while the rest 12(9.6%) as high. Based on

the data majority of the respondents evaluated the company's sales promotion practice against its competitors as moderate. This implies that the sales promotion practice of the company is moderately evaluated with its competitors.

Item 2 of the above table shows the sales promotion performance contribution on the development of positive image for the organization, 45(36.2%) of the respondents were agreed, 38(30.6%) of them disagreed, 27(21.8%) of them strongly agreed and 14(11.4%) of them were neutral. Based on the data majority of the respondents agreed on the contribution of the promotion performance on the development of positive image for the organization. This implies that the sales promotion performance significantly contribute for the enhancement of the product image positively.

Item 3 of the above table shows the sales promotion practice of the company in motivating the customers to come again, 47(38%) of the respondents disagreed, 35(28.3%) of them strongly agreed, 21(17%) of them agreed, 17(13.7%) were neutral and the rest 4(3%) strongly disagreed. based on the data majority of the respondents indicated that the practice of sales promotion in the company merely motivated the customers to come again. This implies that the company hinders from motivating its customers to come again through its sales promotion.

Table 4. The awareness creating capacity of the company sales promotion

No	Items	Alternatives	No of respondents	Percentage(%)
1.	The company's sales promotion practice is creating positive image in the minds of the customers.	Strongly agree	11	8
		Agree	24	19.4
		Neutral	18	14.5
		Disagree	59	47.5
		Strongly disagree	12	9.6
		Total	124	100
2.	How do you evaluate the company price deal technique that means discount from the car price?	Very good	47	38.5
		Good	34	27.4
		Medium	7	5.6
		Bad	17	14
		Very bad	18	14.5
		Total	124	100

Source; own survey

As can be seen from item 1 of table 4 shows the company's sales promotion practice in creating positive image in the minds of the customers, 59(47.5%) of the respondents disagreed, 24(19.4%) of them agreed, 18(14.5%) were neutral, 12(9.6%) of them strongly disagreed, the remaining 11(8%) strongly agreed. Based on the data majority of the respondents believe that the company's sales promotion practice is not creating positive image in the minds of the customers. This implies that the company sales promotion practice is not motivating the customers by creating awareness create awareness about the products.

item 2 of the above table indicates the evaluation of the company's pricing deal techniques such as discount from the car price, 47(38.5%) of the respondents evaluated it as very good, 34(27.4%) of them as high, 18(14.5%), 17(14%) and 7(5.6) as very bad, bad and medium respectively. based on the data majority of the respondents evaluated the company's price deal mechanism to be medium and above. This shows that the company takes the customers into consideration in affording by discounting the product price in order to motivate them.

The company use two types of sales promotion techniques like coupon and discount. These services are given for the customers who buy more than one car this motivate them to buy more than one.

Table 5:- Challenges, Mechanisms and Contribution of Sales Promotion Practice

No	Items	Alternatives	No of respondents	Percentage (%)
1.	The sales promotion practice of the company is not having well established technique to motivate the customers.	Strongly agree	34	27.4
		Agree	61	49.2
		Neutral	23	18.6
		Disagree	6	4.8
		Strongly disagree	-	-
		Total	124	100
2.	The sales promotion practice of the company has great contribution in attracting of new customers.	Strongly agree	-	-
		Agree	36	29
		Neutral	29	23
		Disagree	57	46
		Strongly disagree	2	2
		Total	124	100

Source; own survey

As can be seen from item 1 of table 5 indicating the main challenges faced by sales promotion practice of the company in not having well established technique, 61(49.2%) of the respondents agreed, 34(27.4%) of them strongly agreed, 23(18.6%) of them were neutral, and 6(4.8%) of the rest strongly disagreed. Based on the data majority of the respondents believe the main challenges faced by sales promotion practice of the company is because of not having well established technique. This implies that the company lack well established technique, i.e. the price deal technique and coupon are given only for those customers, who buys more than one car, which may result in as a main challenge for the company.

As the marketing manager said, the market in which the company operates its business not

only is vast but also diverse cultures and religions, different class strata and preferences co-exist. Hence, these other factors determine the effectiveness of the sales promotion practice of the company. Generally, this challenges and hinders the company from efficiently performing its production and increasing its sales volume.

Item 2 of the same table shows the great contribution of sales promotion practice in attracting new customers. 57(46%) of the respondents disagreed, 36(29%) of them agreed, 29(23%) of them were neutral and the remaining 2(2%) of them strongly disagreed. Based on the data, the majority of the respondents believe the sales promotion practice of the company does not have a significant contribution in attracting new customers. This implies that the sales promotion practice of the company does not contribute in attracting prospect customers.

Table 6:- The Company's Overall Information Availing Strategy

No	Item	Alternatives	No of respondents	Percentage(%)
1.	The sales promotion practice of the company creates awareness of the product in the minds of customers and prospects.	Strongly agree	-	-
		Agree	17	14
		Neutral	38	31
		Disagree	46	37
		Strongly disagree	23	18
		Total	124	100
2.	The company performs to organize contests with a view to popularize their products.	Strongly agree	-	-
		Agree	16	13
		Neutral	51	41
		Disagree	39	31
		Strongly disagree	18	15
		Total	124	100
3.	The company is good in providing favorable information about their sales promotion practice.	Strongly agree	-	-
		Agree	13	10
		Neutral	52	42
		Disagree	48	39
		Strongly disagree	11	9
		Total	124	100

Source; own survey

The above table shows extent of respondents' agreement on the company's overall information availing strategy using three different items. On item 1 of table 6 respondents were asked to show the extent of their agreement to the statement "The sales promotion practice of the company creates awareness of the product in the minds of customers and prospects." Out of the total population 17(14%) of them agreed, 38(31%) chose to be neutral, 23(18%) strongly disagreed, the majority of respondents (46 in number 37 in percent) disagreed. This indicates the

performance of the company's sales promotion practice were not improving so as to express the company's image in the minds of customers and prospects.

On item 2; 16(13%) agreed, 39(31%) disagreed, 18(15%) strongly disagreed, and the majority of respondents i.e. 51(41%) chose to be neutral to the statement "The company performs to organize contests with a view to popularize their products." Indicating the company's performance in organizing contests with a view to popularize its products is not implemented well enough to avail information and popularize its products.

Similarly, item 3 shows the company's ability in providing favorable information regarding its sales promotion practice, 52(42%) of the respondents were neutral, 48 (39%) of them disagreed, 13(10%) of them agreed while the remaining 11(9%) strongly disagreed. Based on the data majority of the respondents were not convinced whether the company provides favorable information about its sales promotion practice. In general the overall strategy of the company to avail information is poorly implemented.

Table 7:- the Company Performance in Collecting Comments and Taking Corrective Actions

No	Item	Alternatives	No of respondents	Percentage(%)
1.	The company collects, comments question, and suggestions from the customers about their sales promotion practice?	Yes	78	63
		No	46	37
		Total	124	100
2.	If your response is 'yes' for the above question, how do you evaluate the company on the taking it as an input to make a corrective action?	Very good	-	-
		Good	-	-
		Medium	13	17
		Bad	77	60
		Very bad	18	23
		Total	78	100

Source; own survey

As can be seen from item 1 of table 7 regarding the collection of comments, questions and suggestions from customers on sales promotion practice of the company, 78(63%) of the

respondents said yes whereas the remaining 46(37%) of them said no. Based on the data majority of the respondents said that the company collect comments, questions and suggestions about its sales promotion practice from customers.

Similarly on the item 2, of the same table on the company effort in taking it as an input to make a corrective action the respondents evaluated as 13(17%) of them medium, 77 (60%) of them as low and 18 (23%) of them as very low. Based on the data majority of the respondents implies that the company didn't use the customer's comments as an input to make a corrective action. This implies that the company didn't design the sales promotion strategy based on the customers need.

According to the marketing manager of the company replied "The Company selects the sales promotion techniques by using the competitors' activity, the product type, the sales volume and the customers comment as the criteria.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

The student researcher is to assess and analyzes the practice and problems of sales promotion practice of Lifan Motors Cars. In order to achieve this objective, related literature were reviewed, relevant interview question to the general manager were raised and questionnaires were distributed to the selected customers of the company. Accordingly, the major findings of the study were summarized, concluded and recommended in this chapter.

4.1. Summary of the Major Finding

In this part of the study the major findings of the analyzed data of the study were summarized as follows;

- According to the data, majority 85(68%) of the respondents were male and 67(54.7%) of the respondent were young and adults. In addition, majority 42(33.8%) of the respondents were degree holder 63(27.4%) of the customers are private employees.
- Majority 63(50.8%) of the respondents disagreed regarding the performance of the company in creating a better awareness in the minds of its customers about its product.
- Majority 86 (69.4%) of the respondents evaluated the company's ability to reach specific groups as moderate.
- Majority of the respondents was neutral regarding the different tools the company uses in order to increase sales as well as creating awareness to prospect customers.
- Majority of the respondents evaluated the company's sales promotion practice against its competitors as moderate.
- Majority of the respondents agreed on the contribution of the promotion performance on the development of positive image for the organization.
- Majority of the respondents indicated that the practice of sales promotion in the company merely motivated the customers to come again.
- Majority 84(67.8%) of the respondents believe the main challenges faced by sales promotion practice of the company is because of not having well established technique.
- Majority of the respondents lowly evaluate that the company's on having a mechanism to collect comments and suggestions from customers.

- Majority 57(46%) of the respondents the sales promotion practice of the company doesn't have a significant contribution in attracting new customers.
- Majority of respondents indicates that the sales promotion practice of the company was not improving so as to express the company's image in the minds of customers and prospects.
- Majority of the respondents 85(68%) disagree the company performs to organize contests with a view to popularize their products.
- Majority of the respondents 64 (52%) were not convinced whether the company provides favorable information about its sales promotion practice.
- Majority 78(63%) of the respondents said that the company collect comments, questions and suggestions about its sales promotion practice from customers.
- Majority 77 (60%) of the respondents implies that the company didn't use the customer's comments as an input to make a corrective action.
- As the manager replied earlier, different determinants are taken into account in order to place in action the appropriate sales promotion which can boost the company production and utilize the satisfaction of its customers. The company undertakes small scale researches so as to come with the best and appropriate sales promotion that can suit the demand.
- As the manager replied that the company uses the same sales promotion techniques for different target markets.
- Among other strategies that could boost sales volume, sales promotion play a major role in doing so as the manager replied. For such demanding market, besides production capacity, sales promotion that are appropriate for cultural, societal and different market segment affect the company's sales volume positively. This has been proved through the operation cycle of the company in the past years.
- According to the marketing manager of the company replied "The Company selects the sales promotion techniques by using the competitors' activity, the product type, the sales volume and the customers comment as a criteria.

4.2 Conclusion

Based on the summary of the major findings, the following conclusions are drawn;

- As far as the company's sales promotion practice so as to reach specific groups in order to appeal to small market segments are not implemented well.
- Lifan Motors is not working in providing favorable information through the use of its sales promotion practice.
- The marketing department didn't increase the sales volume as expected that would result in insignificant the future market share by using different tools.
- The lack of a well-established technique is the main challenges of the company with regard to the sales promotion practice. As a result, it doesn't have contribution for the increasing of their market share.
- The company doesn't try to collect the customers comment on the problems of the sales promotion performance in order to take it as an input to take a corrective action.
- Even though the company performs their sales promotion practice with the view to popularize their products by collecting comments and suggestions from the customers about their sales promotion practice, it doesn't take into consideration the customers need when designing the sales promotion techniques.
- As a result the sales promotion practices of the company have a moderate contribution on the creating awareness of the product in the minds of customers.
- Different determinants are taken into account in order to place in action the appropriate sales promotion which can boost the company production and utilize the satisfaction of its customers. The company undertakes small scale researches so as to come with the best and appropriate sales promotion that can suit the demand. The company uses the same sales promotion techniques for different target markets this is because the majority of the customers of the company are found in the urban areas of the country.
- Among other strategies that could boost sales volume, sales promotion play a major role in doing so as the manager replied. For such demanding market, besides production capacity, sales promotion that are appropriate for cultural, societal and different market segment affect the company's sales volume positively. This has been proved through the operation cycle of the company in the past years.

- The company selects the sales promotion tools, rebate, discount and coupons by using the competitors' activity, the product type, the sales volume and the customers comment as the criteria.

4.3 Recommendations

Based on the concluded findings of the study the student researcher under lists recommendations for the problems on the sales promotion practices of the company.

- The company sales promotion practice should informative as far as the rebate, discount and coupons linked with buying of the cars. It should leads to television channel promotion took a vital role in availing information to its customers. Even if the informative information is implemented it should motivate its customers to buy.
- The sales promotion performance of the company should be chosen by using the competitors' activity, the product type, the sales volume and as per the perception of its customers.
- The sales promotion practice of the company should be designed to create better understanding in the minds of the customers. In addition to this the company should assign sales promotion strategy in order to satisfy the customers and to come again.
- For sales promotion practice the company should use experienced producing companies that have high capacity on sales promotion practice, should improve the shortage of giveaway materials which the company gives, should try to get available air time on the mass Medias.
- In order to sustain with the capacity of having larger market share the company should have to perform geographic location sales promotion. Similarly, the company should perform the sales promotion by using other languages for different regions of the country.

Bibliography

- Belch M. (2003). **Principles of Marketing Management** New Delhi; Tata Mc Graw Hill pvt L
- Black (2005) **Marketing Management Practice**: Logistical Approach. Himalaya PUO listing
- Banik (2004) **Principles of Marketing**. 11th Edition prentice Hall of india private limited
- David Jobber (2001) **Principles & Practice of Marketing**. 3rd edition MCRAW–Hill produced company
- Krishna K. et al 2007) **Sales and Distribution Management**. Tata Mc Graw-Hill Publishing Company limited
- Kumare N ands Mlttal R. (2002) **Marketing Management**. 1st edition J.L Kumar for Armol Publication private limited company.
- Kumar (2001) **Marketing Management**. Prectice Hall ,opper saddle Ritver Tata MC Growing publication company.
- Kooper(2004) **Principle of Marketing** Edition Ph learning private limited
- Kotler Philip (2005) **Marketing management**. 8th edition prentice Hall of India private Limited.
- Kotler Philip and Gary Armstrong (2005) **Principle of Marketing**. 11th edition prentice-Hall of India private limited.
- Mittal (2002) **Marking Management**. 3rd edition Tata Mc Graw –Hill Publication Company limited.
- Milner Still, Edward W. (2004) **Sales PromotionManagement** private limited company.
- Malotra.K.(2006) **Marketing Research** new delhi practice-hall private Ltd.

APPENDICIES

APPENDEX 1
ST. MARY UNIVERSITY
BUSINESS FACULTY
DEPARTMENT OF MARKETING MANAGEMENT

Questionnaire to be filled by the Customers

Dear Respondents

The purpose of this questionnaire is to gather data for research of partial fulfillment of BA degree entitle“An assessment on sales promotion practice of Lifan Motors”. The output of this questionnaire will have greater contribution for the enterprise to improve its performance. Your thoughtful responses to the questions are sought to be of greater help to the success of this study. Therefore, please kindly extend your cooperation by honestly responding to the items contented in this questionnaire.

* Thank you in advance for your indispensable cooperation

General Direction

* For each multiple question, place put (√) mark for your choice

* Do not write your name for the purpose of confidentiality.

I. Personal Profile of the Respondent

1. Sex

A. Male B. Female

2. Age

A. 18 – 30 B. 31 – 43 C. 44 – 56 D. Above 56

3. Educational Background

A. Masters degree

B. Degree

C. Diploma

D. Certificate

E.12 grade compete

F. If other, please specify _____

4. Occupation

A. Government Employed B. Private Employed

C. Self Employed

D. If others please specify-----

5. The company performs better to create awareness of the product in the minds of customers and prospects.

A. Strongly Agree

D. Disagree

B. Agree

E. Strongly Disagree

C. Neutral

6. How do you evaluate the company by the ability to reach specific groups in order to appeal to only small market segments?

A. Very High

D. Low

B. High

E. Very Low

C. Medium

7. There are different tools a company's marketing department is using for the sake of increasing sales as well as creating awareness for customers prospects.

A. Strongly Agree

D. Disagree

B. Agree

E. Strongly Disagree

C. Neutral

8. How do you evaluate the company sales promotion practice compared with the competitors?

A. Very High

D. Low

B. High

E. Very Low

C. Medium

9. The sales promotion performance have a great contribution on the development of positive image for the organization?

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

10. The sales promotion practice of the company is motivating the existing customers to come again.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

11. The company's sales promotion practice is creating positive image in the minds of the customers.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

12. How do you evaluate the company price deal technique that means discount from the car? Price?

A, Very high

D, low

B, high

E, Very low

C, Medium

13. The sales promotion practice of the Company is not having well established technique to motivate the customers

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

14. The sales promotion practice of the company has great contribution in attracting of new customers.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

15. The sales promotion practice of the company create awareness of the product in the minds of customers and prospects.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

16. The company performs to organize contests with a view to popularize their products.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

17. The company is good in providing favorable information about their sales promotion practice.

A, Strongly Agree

D, Disagree

B, Agree

E, Strongly Disagree

C, Neutral

18. The company collecting comments question and suggestions from the customers about their sales promotion practice?

A. Yes

B. No

19. If your response is 'yes' for the above question, how do you evaluate the company on the taking it as an input to make a corrective action?

A, Very high

D, low

B, high

E, Very low

C, Medium

20. If you have additional comment related with the overall practice of sales promotion of the company please write on the space provided-----

APPENDIX 2

St. Mary University

Business Faculty

Department of Marketing Management

Interview check list for marketing manager

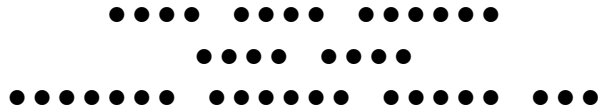
Interview to be conducted to Lifan motors Marketing manager this interview is prepared by a student researcher. Prospectively graduate of years 2006 in the field of marketing management for the partial fulfillment of a senior essay and the main objectives this interview is to make an assessment of Sales Promotion practice in the case of Lifan motors.

There for you are kindly requested to respond honestly and with due care because corrective of the answer will have paramount importance for the outcome of the researcher.

Thank you in advance for your sincere cooperation

1. What does the company consider prior to any sales promotion activity implemented like setting sales promotion objectives?
2. What are the main challenges faced by sales promotion practice of the company?
3. For what customers does the company give a coupon?
4. What does the company consider prior to any sales promotion activity implemented like identifying the company target group, identifying the appropriate sales promotion tools and activities shall be specified?
5. What types of sales promotion does the company implement?
6. How does the company use sales promotion to its target market?
7. What criteria does the company use to select the sales promotion techniques?
8. How does the sales promotion practice of the company on the management of the overall selling effort in an organization in order to increase sales while creating awareness at the same time?
9. How does the company consider prior to any sales promotion activity implemented like identifying the company target group to select appropriate sales promotion tool?
10. How does the company perform on the collection of comments and use it to take a corrective action?

APPENDIX 3



.....

.....

.....

.....

.....

.....

.....

.....

..... / ✓ /

.....

I.

1. ..

..... □

..... □

2.

..... 18-21 □

..... 31-43 □

..... 44-56 □

..... 56 □

3.

..... □

..... □

..... □

..... □

..... _____

4. ..

..... □

..... □

.....

.....

5.

..... / / □

.....?

..... □

..... □

..... □

..... □

..... □

6.

.....?

..... □

..... □

..... □

..... □

..... □

□

□

7.
.....?

.....
.....

8.?

.....
.....

9.
.....?

.....
.....
.....

10.?

.....
.....
.....

11.
.....

.....
.....
.....

12.

.....?

.....
.....

13.

.....
.....
.....

14.

.....
.....
.....

