

INTRODUCTION

Sales Promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular product/services by consumers or the trade. Where as advertising offers a reason to buy, sales promotion offers as incentive to buy – sales promotion includes tools for consumer promotion, trade promotion and sales force promotion.

Sales promotion tools are used by most organization, including manufacturers, distributors, retailers, trade associations and non profit organizations. Several factors contributed to the rapid growth of sales promotion, particularly in consumer markets.

Internal factors include the following. Promotion is now more accepted by top management as an effective sales tool; more product managers are qualified to use sales – promotion tools; and product managers are under greater pressure to increase their current sales.

External factors include the following; the number of brands has increased competitor's use promotions frequently, many brands are at parity, consumers are more deal oriented, the trade has demanded more deals from manufacturer and the advertising efficiency has declined because of rising costs, media clutter & legal restraints.

The rapid growth of sales promotion media has created a situation of promotion clutter, similar to advertising clutter. There is a danger that consumer will start tuning out, in which case coupons and other media will weaken in their ability to trigger purchase.

Manufacturers will have to find ways to rise above the clutter, for instance, by offering larger coupon – redemption values or using more dramatic point of purchase displays or demonstrations.

Definition of sales promotion

Promotional activities of a non – recurrent nature which are used to reinforce personal selling and advertising for stimulating consumer purchasing and dealer effectiveness. Thus sales promotion can be aimed at

- ✓ Consumers or
- ✓ Dealers

Sales promotion is an important instrument in marketing to lubricate the marketing efforts. Today sales promotion is a necessity and not merely a luxury or a fashion. It is not expenditure; it is an investment which can pay rich dividends. It is an integral part of the market effort.

Sales promotion is referred to activities other than personal salesmanship, advertising and publicity, which stimulate consumer purchasing and dealer effectiveness. It is a plus ingredient in the marketing mix, whereas advertising and personal salesmanship is essential and basic ingredients in the marketing mix.

In short, sales promotion is a bridge or a connecting link covering the gap between advertising and personal salesmanship, the two wings of promotion. Sales promotion is a vital link between advertising and field selling.

It aims at stimulating consumer purchasing at the point of sales and dealer's effectiveness at the retail channel of distribution, particularly because retaining is a highly competitive field.

It can arouse enthusiasm, create a buying mood or spark an immediate reaction from consumers, dealers and the firm's sales person. Many sales promotion campaigns involve the use of incentives. Sales promotion is often thought as special selling effort to accelerate sales.

Common Definitions

In general usage, all the efforts made by a firm to increase its sales and included in sales promotion. In the words of George W. Hopkins – “Sales Promotion is an organized effort applied to the selling job to secure the greatest effectiveness for advertising and for dealers help”.

According to AMA, sales promotion includes – “those activities other than personal selling, advertising and publicity that stimulates consumer purchasing & dealer effectiveness, such as displays, shows &

exhibitions, demonstration and various non – recurring selling efforts not in the ordinary routine”.

The ultimate aim of sales promotion is the same as that of advertising and personal selling i.e., increasing the sales of the goods and services. The immediate objectives, however, would be to introduce new products, to attract new customers, to buy more, to increase sales in slack seasons, etc.

One of the most important objectives of sales promotion is to encourage dealers to increase their stock of goods. Sales promotion techniques supplement advertising programs. These techniques are generally used to convert the awareness of consumers created by advertising into a concrete buying decision.

Objectives

Sales promotion objectives are derived from broader promotion objectives, which are derived from more basic marketing objectives developed for the product. The specific objectives set for sales promotion will vary with the type of target market.

For consumer, objectives include encouraging purchase of larger size units, building trial among non – users and attracting switches away from competitors brands.

For retailers, objectives include inducing retailers to carry new items & higher levels of inventory, encouraging off – season buying, encouraging stocking of related items, off setting competitive promotions, building brand loyalty of retailers and gaining entry into new retail outlets.

For the sales force, objectives include encouraging support of a new product or model, encouraging more prospecting and stimulating off – season sales.

Necessity of sales promotion

Sales promotion tools vary in their specific objectives. A free sample stimulates consumer trial while a free management advisory service cements a long term relationship with a retailer.

Sellers use incentive – type promotions to attract new treys, to reward loyal customers and to increase the repurchase rates of occasional users. Sales promotions often attract the brand switches, because users of other brands and categories do not always notice or act on a promotion.

Sales promotions used in markets of high brand similarity produce a high sales response in the short run but little permanent gain in market share. In market of high brand dissimilarity, sales promotions can alter market shares more permanently.

Sellers often think of sales promotion as designed to breakdown brand loyalty and advertising as designed to build up brand loyalty. Sales promotions yield faster responses in sales than advertising does.

Small share competitors find it advantageous to use sales promotion, because they can't afford to match the large advertising budgets of the markets leader, nor can they obtain shelf space without offering trade allowances or stimulate consumer trial without offering trade allowances or stimulate consumer trial without offering consumer incentives. Sales promotions enable manufacturers to adjust to short – term variations in supply and demand.

They enable manufacturers to charge a higher list price to test “how high is up”. They induce consumers to try new products instead of never straying from their current ones. They lead to more varied retail formats, such as the every day – low = Price store and the promotional pricing store, giving consumers more choice. They promote greater consumer awareness of prices.

They permit manufacturers to sell more than they would normally sell at the list price, and to the extent that there are economic of scale, this reduces the unit costs. They help the manufacturer adopt programs to different consumer segments. Consumers themselves enjoy some satisfaction from being smart shoppers when they take advantage of price specials.

Strengths of sales promotion

1. It stimulates positive attitude towards the product.
2. It gives extra incentive to the consumer to make a purchase.
3. It gives direct inducement to make immediate action now rather than later.
4. It has flexibility and it can be used at any stage of new product introduction.
5. Sales promotion is effective when
 - ✓ When a new brand is introduced.
 - ✓ When we have to communicate a major improvement in our product.
 - ✓ When we want to amplify the results of advertising and
 - ✓ When we want to increase the number of retail stores to sell and products.

Limitation of sales promotion

1. Sales promotion have temporary and short life not exceeding than three months, sales promotion alone cannot build up brand loyalty.
2. Sales promotions are only supplementary devices to supplement selling efforts of other promotion tools.
3. They are non-recurring in their use, they have seldom re-use values.
4. Too many sales promotions may affect adversely the brand image, suggesting its lack of popularity or lower stacking by a company.

5. Advertising agencies accord low status to sales promotions and usually employ junior staff for sales promotion so that they may be well trained for more creative jobs &
6. Sales promotion are ineffective when
 - a. Established brands have a declining market.
 - b. There are no product improvements.
 - c. When there is incentive competition on consumer sales promotion.

KINDS OF SALES PROMOTION

1. CONSUMER PROMOTIONS

Sales promotion directed at consumers may be done with a view to increase the product's rate of use among existing consumers or to attract new consumers to the company's product. It may also be undertaken to retaliate against competitor's sales promotion or other activities. Sales promotion aimed at either the consumer or the dealer is also an effective tool for reducing a seasonal decline in sales.

In connection with the consumer promotion sales promotion activities can be divided into two groups according to whether they are aimed at reaching the consumer

- A At his home, or place of business
- B. In the store.

(A) IN-HOME OR IN-BUSINESS PROMOTION

Sales promotional activities or devices aimed at reaching the consumer at home or in his business establishment are generally in the form of

- ✓ samples
- ✓ contests
- ✓ demonstration &
- ✓ Coupons.

Particularly when the unit value of the article is low, samples are often distributed to ultimate consumers. Samples can also be distributed on a house to house basis or can be mailed to persons on a special mailing list or may be sent to those who submit their requires in answer to advertisements offer in such samples.

At times contests are arranged with a view to attract new users to the company's product. This is an indirect manner of introducing a new product or attracting new users. In such cases generally evidence of purchase is required to entitle a person to enter the contest.

In case of products which are portable and generally of a technical nature in operations, demonstrations can be arranged in the home or in the business establishment of the customers.

By this method, the finer points of the product can be actually demonstrated and the customer educated regarding the products characteristics, actual operation and uses. Coupons are another method of offering a price reduction or a free package.

(B) IN-STORE PROMOTION

Devices used inside a retail shop for sales promotion consists of

- a. Temporary price reductions
- b. Premium offers
- c. In-store display promotion and
- d. In-store demonstrations

The advantage of this type of promotion is that it reaches the customer at the point of purchase, i.e., when it is possible for the customer to buy immediately. It often helps him to decide in favor of the product. A temporary price reduction may be offered by the manufacturers to attract consumers of other brands to his product.

In this way, he can increase the purchases of the present users & even induce new users towards his product. Where a different product is offered, it induces new users to purchase the product as they might not have otherwise brought this particular product offered as a premium.

In-store display promotions include counter cards, wall signs, banners and display brings. The objective here is to remind the customer constantly about the product Demonstrations are also arranged within the store.

Cash refund offers (rebates) provide a price reduction after the purchase rather than at the retail shop. The consumer sends a specified “proof of purchase” to the manufacturer, who “refunds” part of the purchase price by mail.

2. DEALERS PROMOTIONS

When products are sold by a manufacturer through the retailer to the wholesaler the co-operation of the latter is naturally necessary. Thus dealer promotions are introduced to induce to dealer to keep a larger stock of the manufacturer’s product.

Since retailers and wholesalers are businessman in their own right they are interested in profits. Therefore the types of promotions which attracts the dealer include

- ✓ Offer of cash discount on a percentage basis or on the basis of specified quantities ordered,
- ✓ Display and advertising allowance
- ✓ The offer of prizes and gifts and

- ✓ The offer of an extra free product based on the size of the order given by the dealers.

When discount are offered, they may be either deducted on the invoices or even offered in actual hard case.

After all the dealer is helped in this ways to sell more of his products which would result in extra profit to the dealers. Infect any consumer promotion should be tied in very carefully with the dealers.

For examples, if such a promotion is badly timed in relation to the dealer's stock, although consumers are attracted, the products may not be available in the nearly retail outlets.

Besides, display and advertising allowances can be offered to dealers. The objective of display allowances is to manufacturer's product. Quantity discounts often induce the dealers to stock larger quantities and therefore is some times described as a buyer allowance.

Besides, premiums can be offered to dealers or their salesmen based on sales result, as an incentive for extra effort. To influence channel members and resellers in the distribution channel, it has become a common practice for a seller to participate in a trade show, exposition or convention.

These shows are often organized by an industry's trade association and may be part of the association's annual meeting or convention.

Vendors serving the particular industry are invited to the show to display and demonstrate their products for the association's members.

Shows are also used to reach the ultimate consumer. Trade shows are elaborate and reach retailers as well as individual consumers. Most markets find demonstrations at these events, particularly useful in promoting new products or products innovations. Trading stamps, too, are sales promotion techniques similar to that of premium and offer additional value when the product is purchased.

Whether or not, the consumer benefits depend upon the relative price levels that exist at the time. Trading stamps are mostly distributed by petrol pumps, grocers or service-type business.

In this way sales promotion activities, if co-ordinate effectively with other forms of advertising used, can make an important contribution to increasing the sales of the company.

Sales promotion program

The marketer must make further decisions to define the full promotion program. The marketer has to determine the size of the incentives to offer. Conditions for participation have to be established. The marketer has to decide on the duration of promotion. Finally, the marker must determine the total sales promotion budget.

Testing the effects of sales promotion

Evaluation is a crucial requirement and yet, according to strong, “evaluation of promotion program receives little attention. Even where an attempt is made to evaluate a promotion, it is likely to be superficial. Evaluation in terms of profitability is even less common”.

Manufacturers can use 4 methods to measure sales-promotion effectiveness. The most common methods are to examine the sales data before, during and after a promotion.

Sales promotions work best, in general, when they attract competitor’s customers to try a superior product. Consumer panel data would reveal the kind of people who responded to the promotion and what they did after the promotion. If more information is needed, consumer surveys can be conducted to learn how many recall the promotion, what they thought of it, how many took advantage of it, and how the promotion affected their subsequent brand – choice behavior.

Sales promotions can also be evaluated through experiments that vary such attributes as incentive values, duration and distribution. Beyond these methods of evaluating the results of specific promotions, management must recognize other potential costs and problems.

First, promotions might decrease long run brand loyalty by making more consumers deal prone rather than advertising prone.

Second, promotions can be more expensive than they appear. Some are inevitably distributed to the wrong consumers. Furthermore, there are hidden costs of special production runs; extra sales force efforts and handling requirements.

Third, certain promotions irritate retailers and they demand extra trade allowances or refuse to co – operate in the promotion. In spite of these problems, sales promotion will continue to play a growing role in the total promotion mix.

Today's business world is so uncertain. We can't predict what will be the tomorrow's happening. In ever – growing market, there is a stiff market competition. So marketers must know each and every aspect of the marketing environment, depending on the market situation he has to act and apply marketing strategies.

The days of sellers market are gone now only buyers market a marketer can take a pride only through his quality products, high technology and slim price. Totally it should be a customer orient. “Customer is King” he is the sole decider of the marketer future.

Of course only a high technology and good product can't increase the sales unless it has no proper promotional activities, it should be come

up with strong advertisement, new packages and aggressive sales promotional activities.

These are must in all most all business and non-business sector like Health, Agricultural goods, Banks, Insurance companies, Auto Industries etc.

Modern marketing concept

Modern market is an on going process of discovering and translating consumer needs and desires into products and services, through planning and planned products.

Creating demand for these products and services through promotions and placing. Serving, the consumer demand through planned physical distribution with the help of various distribution channels.

Expanding the market even in the phase of keen competition through research and feedback got.

The marketing concepts hold the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more efficiently and effectively than competitors.

Marketing

Marketing is the process of discovering and translating consumer wants into products and service specifications and then in turn, helping to make it possible for more and more consumer to enjoy more of these products.

Marketing is thus a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging the product of value with others. Nevertheless, marketers must study their customer wants, perception, shopping and buying behavior such a study will provide clues for developing new products, product features and other mix elements. In simple terms, “when people talk to themselves it is called insanity, when companies talk to themselves it is called marketing”.

Marketing management

It refers to the professionalism in the art of carrying out the exchange relationship. Marketing management may be defined as the process of management of marketing programmes for an accomplishing organizational goals and objectives.

Marketing management performs all managerial functions in the field of marketing, it has to plan and develop production on the basis of known

Consumer demand. It has to build up appropriate marketing plan or marketing mix to fulfill the goals of the business. It has to formulate sound marketing policies and programmes. It looks after their implementation and control.

Marketing mix

Marketing mix is a term used to describe the optimum combination of four inputs that constitutes the act of an organization's marketing process. These four elements are- product mix, price mix, promotion mix, and place mix.

Marketing mix offers an optimum combination of all marketing ingredients so that we can have realization of company goals such as profit, return on investment, sales volume, and market share and so on. It is profitable formula for the marketing operations.

Marketing research

Marketing mix is a systematic gathering, recording and analyzing of data about problems connected with market place i.e., problem relating to product, price, promotion and distribution of the marketing mix.

Marketing research is directly interested in offering sound alternative solution to all marketing problems. Marketing research consists of application of scientific methods and procedures to the study of marketing problems.

The essential purpose of marketing research is to provide information which will facilitate the identification of an opportunity or problem situation and to assist managers in the best possible decisions when such situations are encountered.

Market Potential:

The market forecast shows expected market demand, not maximum market demand, for the latter, we have to visualize the level of market demand for a “very high” level of industry marketing expenditure, where further increases in marketing efforts would have little effect in stimulating further demand.

Market potential is the limit approached by market demand as industry marketing expenditures approach infinity, for a given environment. The phase for a given environment is crucial in the concept of market potential. Consider the market potential for automobiles in a period of recession versus a period of prosperity. The market potential is higher during prosperity. Market analysis distinguishes between the positions of the market demand function, which is determined by the marketing environment. Company demand is the companies estimated share of market demand at alternative levels of marketing efforts.

The company share of market demand depends how its on products, services, price, communication &so on are perceived relative to its

competitors. If other things were equal, the company's market share would depend on the size and effectiveness of its market expenditures relative to Competitors. Marketing model builders have developed sales response function to measure how its marketing expenditure level, marketing mix affects a company's sales and marketing effectiveness.

Company sales forecast is the expected level of the company sales based on a chosen marketing plan and an assumed marketing environment. Sales quota is the sales goal set for a product line, company division, or sales representatives. It's primarily a managerial device for defining & stimulating sales forces effort.

Company sales potential is the sales limit approached by a company demand marketing effort increases relative to competitors. The absolute limit of the company demand is, of course, the market potential. The two would be equal if the company achieved 100% of the market.

MARKET

It is a group of people with demand with both ability and willingness to buy a product or service for the end user purpose. So the most important characteristics of a market are, there should be the ability and willingness to buy the product among the people for the end user.

PRODUCT

Product is any thing that is potentially valued by a target market for the benefits or satisfaction it provides including objects, services, organizations, places, people and ideas.

SALES MANAGEMENT

It means in to the management of Personal selling it is to Management of all marketing activities, including Advertisement, Sales, Promotion, Marketing Research, Physical Distribution etc.

BRAND

It is a name, team, sign, design or some combinations of these used to identify the products or services of one firm and to differentiate them for competitive offerings.

SALES POTENTIAL

It is estimate of the maximum possible sales opportunities present in a particular market segment open to a specified company selling a good or service during a stated future period.

RESEARCH DESIGN

STATEMENT OF THE PROBLEM:

The first step in research is formulating or defining the research problem. It is rightly said that, “*a problem well defined is half solved*”. This study was done to know the sales promotion activities and its impact on sales of PP-R pipes, at Prime tele - extrusion ltd. Bangalore.

In the present scenario there is immense competition in pipes industry because of the availability of different brands. Hence it is very essential to study the various sales-promotion activities so as to achieve maximum result.

OBJECTIVES OF THE STUDY

1. To study the effectiveness of sales promotion activities adopted by the company.
2. To identify whether the sales promotion activities has a direct impact on volume of sales.
3. To identify the role of advertisement in the industry.
4. To formulate appropriate strategies to improve sales.
5. To suggest improvisations if any in the existing sales promotion activities of the company and its implementation.
6. To identify attributes that influences the dealer to purchase and stock a particular brand.

SCOPE OF THE STUDY

The study will help to know both advantages and disadvantages of the existing sales promotional activities.

The research will give valuable results, which will benefit the company in taking vital decision and to frame their sales promotion activities more efficiently and effectively.

The aim of the study is to estimate the sales promotion of PP-R pipes in Bangalore and compare it with its competitive brands and also to forecast the various sales opportunities available in the market of PP-R pipes.

RESEARCH METHODOLOGY

According to Kerlinger, *“Research Design is the plan, structure & strategy of investigation conceived so as obtained answer to research questions & to control variance.”*

According to Green & Tall, “A research design is the specification of methods and procedures for acquiring the information needed. It is the overall operational pattern or framework of the project that stipulates what information is to be collected from which sources by what procedures”.

From the foresaid definitions, it is evident that the research design is more or less a blueprint of the research. The research design of the project work is explained as follows:

Firstly, taking the permission from the business authority to carry out all research work in their company. Then the problem is defined for which the research work has to be done.

According to the problem the information is collected. This information is analyzed by forming a questionnaire.

A questionnaire has been prepared for the respondent, after that meeting with them for the filling up the questionnaire with asking them about their problems regarding sales promotion activities of their different brand of pp-r pipes.

Lastly, the collected data were then tabulated & analysis is made to give the recommendation & conclusion for the define problem.

The research can be said to be divided into two types. First, the exploratory research which was through secondary data and other published sources and the second one, conclusive research which is the actual sample survey using questionnaire method. It is also called primary data source.

SAMPLING

The Fundamental concept of sampling given by Crisp is: “If a small number of items or parts called a sample are chosen at random from a large number of items or a whole (called a universe or population) the sample will tend to have the same characteristics & to have them in approximately the same proportion as the universe”.

SAMPLE SIZE

It means, one has to decide how many elements of the target population are to be chosen. Sample size should be determined, keeping in mind the objectives of the research study.

Sample size should not be too large or too small. It should be a reasonable percentage of the total population. Size selected thus, should be adequate so that it may be taken as a representative sample of the population.

In my study, the sample size was determined as 25, which are drawn from the list of dealers of various brands of PP-R pipes to the total population is still very low & 25 was a reasonable sample size.

SAMPLING TECHNIQUE ADOPTED

Sampling is a systematic approach of selecting a few elements from an entire collection of population. In my research study, a pre-requisite for doing sampling is that there should be complete knowledge about all the samplings units.

Since this was not so, non-probability sampling was used. A judicious mix of convenience sampling & judgments sampling was done to get a representation of dealers of different brands.

Non-Probability Sampling

This sampling does not provide a chance of selection to each population element. The merits of this sampling are simplicity, convenience & low cost.

Convenience Sampling

It means selecting sample units. In this method top 25 dealers were selected for the sample size. It is the cheapest & simplest method of sampling, also means what ever sampling units are conveniently available.

Judgment Sampling

This method means deliberate selection of sample units. It involves selection of cases (dealers) we judge as the most important ones for the study. It is the cheap & more convenient.

SOURCES OF DATA

In marketing research literature, there are two types of data. One is secondary data and the other is known as primary data.

Primary Data:

The second type of data sources is the primary data source which is the actual respondents of the survey. “Original research performed by individual researchers or organizations to meet specific objectives is called Primary Research”.

Primary data consists of gathering of original information for specific purpose i.e. related to the objectives of the study; primary data has been collected through a structured questionnaire. Primary data is always more accurate, more reliable and more related to the problem of study as compared to the secondary data sources. The primary data sources in this research are the actual respondents of the survey, the respondents are likely to be the Sales Executives (Dealers of different brands of Cars) and finally the company's business authorities.

Secondary Data:

The main advantages of using the secondary data can be summarized as:

- ✓ Economical, as the cost of collecting the original data is saved.
- ✓ Much of the time of the research is saved like data collecting, tabulating and analysis, which leads to prompt completion of the research projects.
- ✓ It can be obtained very quickly.
- ✓ It may also provide information that could not be obtained by the typical organization.
- ✓ Due to the secondary data, deficiencies and gaps can be found easily and primary data collection becomes more specific and relevant to the study.
- ✓ Finally secondary data can be used as a basis for comparison with the primary data that has been collected.

The secondary sources of data used in this project report are published article in Newspapers, Magazines, some books related to car industry, company catalogue and other published articles.

Field Work

Field work is done throughout the Bangalore City. Around 25 dealers were interviewed in the research. The time taken to answer each schedule was minimum 15 minutes.

The interview schedule was carefully decided upon and revised in consultation with experts in order to avoid collection of irrelevant data. The respondents were directly approached by the Researcher. The respondents were approached in the morning or lunch hours because in the evening hours they were busy some of the respondents were met after taking prior appointment.

LIMITATIONS OF THE STUDY

- ✓ Time has been a major constraint in fulfilling the research work.
- ✓ The consideration for the cost of the study was also limitation.
Considering the above factors, the sample size was limited to 25 and survey was limited to Bangalore City.
- ✓ The outcome of the study depends entirely on the fairness of the information supplied by the respondents.
- ✓ One of the factors influencing the respondent's perception could be loyalty towards a particular brand.

INDUSTRY PROFILE

The portable water in developed and under-developed countries is leaking from rusting pipes at rates that in some areas exceed 50%. With the world population projected to rise by 50% in the next 30 years to 8 billion, demand for portable water could rise by a staggering 650%.

As the population increase the water sources get polluted and water scarcity is increasing. To serve this requirement GI (galvanized iron), CI (cast iron) and PVC (poly vinyl chloride) pipes are brought into use. But these pipes also lose flexibility with passage of time and break. They cannot withstand high temperature and pressure. As people face problems they needed an effective alternative to suit their needs. These problems resulted in the development of HDPE (High density polyethylene) and PP-R (poly propylene random) pipes.

HISTORY OF PP-R PIPES

- 1973 : First Import of Random PP from Japan
- 1975 : Gradual Substitution of PP-B with PP-R
- 1978 : Aquatherm begins to produce Floor Heating Pipes using PP-R
- 1982-83 : Introduction of Sanitary Piping Systems made of PP-R in Europe
- 1983-86 : Start up of PP-R Sanitary System in Italy

- 1990 : Start up of PP-R Sanitary System in Turkey
- 1997 : Use of PP-R Sanitary Pipes in China
- 1998 : PP-R pipe was exhibited in Plast – India, then it
Was accepted in market.

In India mainly three types of plastic pipes are used namely PVC, PE and PP-R. Various applications of these pipes are given below.

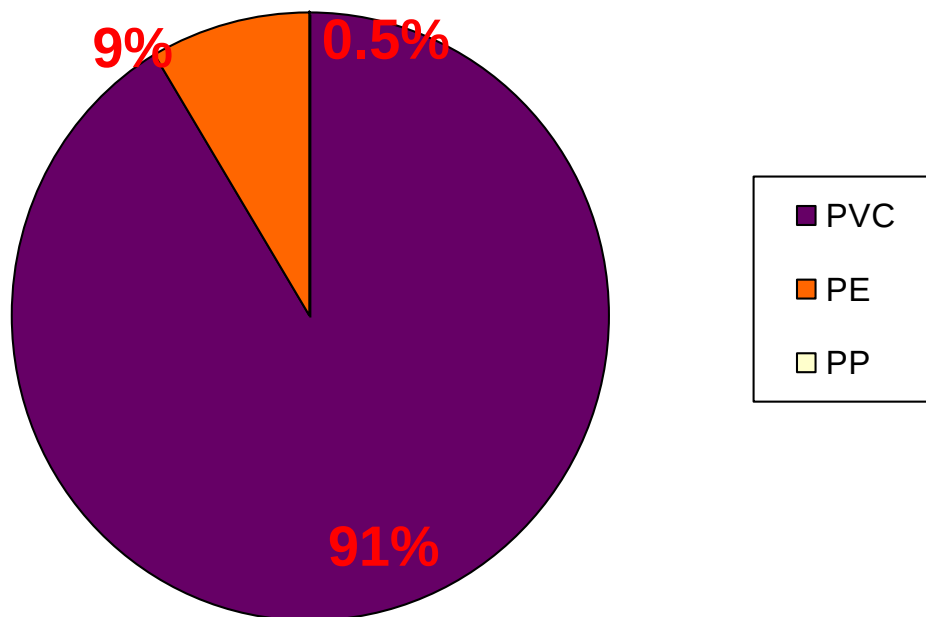
PVC : Water supply, sewage, drainage, plumbing, cable conduits.
 PE : Gas distribution, water supply, industrial, cable conduits.
 PP-R : Indoor and outdoor; hot and cold water plumbing pipes and fittings, chemical and effluent industry.

By 2010, among newly built, revamped and expanded projects nationwide, adoption of plastic pipes will be for,

- # 80% of drainage pipes,**
- # 70% of rain drainage pipes,**
- # 30% of urban sewage pipes,**
- # 80% of water supply,**
- # 70% of the urban water supply pipes,**
- # 70% of town water supply pipes,**
- # 60% of urban gas pipes,**
- # 90% of cable casing pipes.**

PLASTICS PIPES : INDIA MARKET

Prominent Polymers : PVC, PE, PP



PVC constitutes over 90% of Plastic Pipe Market

COMPANY PROFILE

PRIME Tele-Extrusions Ltd.,(PTEL) is a ISO 9001-2000 certified unit of the Daga Group of Companies, who are one of the leaders in plastic pipes and pipe fittings sector. 'PTEL' along with other group Companies RISHI Polymach Pvt. Ltd., provides complete and full range of **HDPE & PPR Pipes and Pipe Fittings**. All the above units are engaged in the production and supply of almost all sorts of plastic pipes and fittings of various sizes manufactured out of best quality virgin polymers at their state of art manufacturing facilities located at Bangalore and Mysore. The group's reputed brands in the sector are "**PRIME**" and "**RISHI**" and have reached to a considerably high sales level both in local and surrounding States in South India and need no introduction to discerning field engineers and users. Our dealer network is through out southern states and is expanding to all India level.

LATEST ADDITION IN PRODUCT LINE

PRIME TELE-EXTRUSIONS LIMITED have recently enriched its products span by adding/introducing two new products to its production/supply - line which is ultimate choice in PLUMBING namely :

PRIME PP-R/UV-PPR PIPES – SINGLE & MULTILAYER

PRIME PP-R PIPE FITTINGS.

OUR EXCELLENCE & EXPERTISE

PRIME PP-R Products are engineered with expertise combined with latest technology. Technical knowledge and know-how services are supported by the **Reliance Industries Ltd. (Piping and Development Division)**.

PRIME PPR PIPES are produced in our state of the art manufacturing facilities established at Mysore and Bangalore (Karnataka) and is very well equipped with almost all latest and highly sophisticated computerized Test Equipments. We have our team of experts, which maintain supervision during the manufacturing process.

PRIME PPR Pipes are made of genuine raw materials produced by renowned manufacturers only and do not compromise with every other products in use for manufacturing of our quality Pipes for providing outstanding performance.

A reliable service set up, technical knowledge and know-how consultant services, and most of all excellent customer services, by supplying to Reasonably priced product for perfect quality made '**PRIME**' an upcoming brand at all India level and have shown as the way to growth & prosperity.

RAW MATERIALS

PRIME PPR Pipes and Fittings are made of best quality virgin POLYPROPYLENE RANDOM CO-POLYMER (PPRC) Polymers which is a high molecular weight polymer and contains stabilization package in order to prevent thermal degradation of material during the piping processing and to provide outstanding performance during the usage of pipe. It has chemical resistance during the usage as transferring other liquid chemicals also.

Major Raw Material used in manufacturing **PRIME** PPR PIPES are as under:

<u>Sr.No.</u>	<u>Raw Material Used</u>	<u>Name of Manufacturer</u>
1	PP-Random Copolymer	I.P.C.L.(Reliance Group)
2.	UV Stabilizer Additive	Prayag Polytech Pvt.Ltd.
3.	Antioxidant Additive	Prayag Polytech Pvt.Ltd.
4.	Color Master batch	Prayag Polytech Pvt.Ltd.

STANDARDS AND PRODUCTION RANGE

PRIME Products are produced under strict quality control adopted at every stage of production /Working Instructions i.e. mixing of additives, heating at appropriate temperature, Extrusion Process, Cooling Process, cutting to the various sizes and stacking at proper place for storage. Products are tested for a thorough and vigorous QUALITY Checks as per ISO

standards. Our Production /Supply capacity – all put together is up to 150MTM.

Test Certificates obtained from **CIPET & RELIANCE INDUSTRIES LTD.** proves that **PRIME Pipes** are hygienic (FOOD GRADE) and have no adverse effect on the quality (taste + odor) properties of drinking water and can be used for both concealed as well open applications in plumbing system.

FEATURES OF PRIME PPR PIPES & FITTINGS

Widely used in sanitary water installation and for the distribution of tap water Residential area as it is not detrimental to human health. It's Hygienic, Odorless, No bacterial or Fungal Growth, No Contamination.

- Resistant to extreme heat or cold. No need for insulation against heat. Withstands temperature range – 2 Degree Celsius to 90 Degree Celsius. Keeps inner climate constant.
- Endures to heat and high climatic condition. It reserves its original form, flexibility and chemical properties at high temperature. No deformation, as it is resistant to long term hot water transmission. Endures operational heat 70 Degree Celsius to 90 Degree Celsius in normal environmental condition.

- Resistant to corrosion, does not rust or decay, No scaling or calcification.
- Resistant to chemical reaction, acids, salt and alkalis, may safely be used together.
- Low friction losses. Resistant to abrasion.
- Extremely light weight – easy to transport & install.
- UV Stabilized, Resistant to ultra violet rays (Exposure to direct sunlight to be avoided)
- Strong tough and long lasting - can be safely used for duration of minimum 50 Years.
- Adhesion is firm and will not effect inner diameter – makes the system leak-proof. Maintenance free and easily repairable. Extensive savings in time and labor.

APPLICATION AREAS

PRIME PPR Pipes & Fittings are the ideal and problem free solution for all your plumbing needs for the sanitary piping system. It is specially recommended for HOT, COLD and even CHILLED watering in number of applications. Naming the few areas are:

- Residential Apartments, Public Housing, Condominiums
- Commercial Buildings, Shopping Centers.
- Schools, Hospitals, Laboratories.
- Hotels, Resorts, Entertainment Parks, Halls, Theatres. etc
- Sewerage & Drainage Systems.
- Liquid Chemicals Flow System in Chemical & Food Processing Industries.

ADVANTAGES

The major advantages of usage of PRIME PPR Pipe & Fittings over Metal Pipes (GI) and other Thermoplastic Pipes are:

- High Impact Strength (3 layer pipe, Extrusion with UV)
- Resistant to high temperature (No extra insulation required)
- Widest Range of Operating Temperature - 2 Degree Celsius to 90DegreeCelsius (best for Hot & Cold Water).
- Resistant to corrosion (long life: + 50 Years).
- Leak Proof Joints (Zero maintenance, Easy repairs)
- Easy Installation, Easy Adhesion (Savings on time & labor).
- Economy (Cost effective).

OUR PATRONS

The Group has established an amicable relationship with our high profile clients spread over the south states through our supply of quality products for sanitation application at reasonably competitive price as is directly proportionate to the satisfaction of our valuable customers

Listed below are few of our reputed clients.

1. Wipro Ltd.
2. TATA BP Solar
3. GE (India)
4. Le Meridian
5. Bangalore Pharmaceuticals & Research Laboratories
6. Ambiance Projects
7. Southern Sanitation
8. RR Sanitation
9. Maxel Engineers
10. Madras Engineering

OTHER PRODUCT LINES

PRODUCT

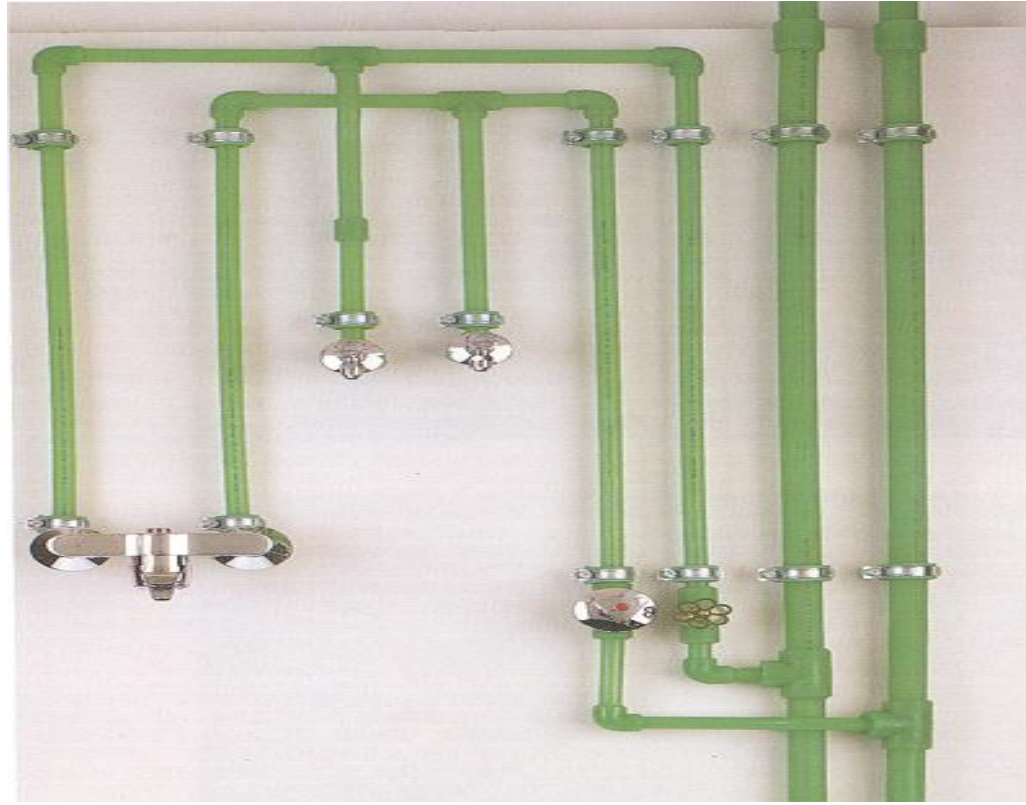
‘PRIME’ ISI HDPE PIPES & FITTINGS

USAGE

-Clean & Waste water &
Chemicals transportation.
Agricultural Watering.

‘PRIME’ PLB HDPE PIPES & FITTINGS	-Telecom Network Plumbing
‘PRIME’ MDPE WATER PIPES & FITTINGS	-Sub-distribution of water (Portable/Drinking water)
‘PRIME’ MDPE GAS PIPES & FITTINGS	- Gas transportation.
‘RISHI’ ISI SPRINKLER PIPES	- Agricultural Watering System
‘RISHI’ ISI HDPE PIPES	- Major water distribution Systems, Bore wells. Etc.

PP – R PLUMBING SYSTEMS



SANITARY INSTALLATIONS

TECHNICAL COMPARISON of PRIME PP-R Pipes with CPVC Pipes



HOT AND COLD WATER DISTRIBUTION

Property	PVC	PP-R
Impact Strength	1.0 -5.6	1.1 - 14.0
Vicat Softening Temp., °C	110	130
Maximum Safe Working Temp., °C	85	95
Friction Factor	Low	Very Low
Water Absorption (%) Maximum	0.15	0.03
Specific Gravity gms/cm3	1.49 -1.58	0.9
Chemical resistance	Average	Very high
Jointing		
Method	Special Solvent Cement	Simple Heat Fusion
Skill	needs special attention & skilled Labor	Very simple & can be done by unskilled labor
Strength	Surface Homogeneity	Thorough Homogeneity
Time	Few Minutes	Few seconds
Line Commissioning	24 Hours	Immediate
Hygienic Property	Average	Very Good
Service Life - years	30-40	More than 50years years

Comparison of PRIME PP-R Pipes and Fittings with GI Pipe & PVC Pipes

GI Pipes and Fittings			PVC Pipes & Fittings	PRIME PP-R Pipes and Fittings		
Size	GI Class C	GI Class B		PRIME PP-R DN 20	PRIME PP-R DN 16	PRIME PP-R DN 10
20mm	114	92	67	43	37	26
25mm	151	121	84	66	57	41
32mm	190	155	107	108	92	65
Fittings						
Collar						
20mm		19	10		12	
25mm		25	19		14	
32mm		37	32		24	
Elbow						
20mm		21	14		14	
25mm		33	28		16	
32mm		51	50		32	
Tee						
20mm		32	19		16	
25mm		51	41		25	
32mm		68	63		42	

From the above table it is clear that PRIME PP-R pipes and fittings are cheaper by 70-30 % compared with GI pipes depending from size to size, where as properties of PRIME PP-R pipes are far better then GI Pipes. A detailed comparison of PRIME PP-R pipe with all kinds of pipes is mentioned which proves that PRIME PP-R Pipes and Fittings are far more superior then any kind of pipes.

Comparison of PRIME PP-R Pipes With all other kind of Plumbing Pipes

Properties	Pipe Type	PRIME PP-R	Steel	Galvanized	Copper	U-PVC	C-PVC	Remarks
Service Life Guarantee (years)		50	3-15	5-25	3-30	0-20	0-50	The guarantee service life of pipes other than PP-R depends on quality of raw material used and many other parameters.
Brittleness Characteristics		Resistant	Resistant	Resistant	Worrisome	Not Resistant	Not Resistant	--
Corrosion Resistance - Abrasion Resistance		Very Resistant	Very Frail	Very Frail	Very Frail	Partly Resistant	Partly Resistant	These evaluations depend on chemical resistance of the raw material.
Easiness in Fittings Production		Very Easy	Difficult	Difficult	Difficult	Very Easy	Very Easy	--
Easiness in laying (Easiest: 100, Hardest: 0)		100	25	25	40	80	80	--
Hygienic Superiority		Excellent	Worrisome	Worrisome	Worrisome	Worrisome	Good	--
Inner Surface Smoothness		Excellent	Smooth	Smooth	Rough	Rough	Smooth	--
Fitting Types and Cost		Excellent-Cheap	Limited - Expensive	Limited - Expensive	Limited - Expensive	Different - Cheap	Different-Expensive	--
Chemical Resistance		Excellent	Problematic	Problematic	Worrisome	Worrisome	Good	--
Joining Reliability (Max:100, Min:0)		100	0-80	0-80	0-50	0-50	0-80	Compression, soldering and seat connection are worrisome
Easiness in Repair & Maintenance		Very Easy	Troubling	Troubling	Difficult	Difficult	Difficult	--

ANALYSIS AND INTERPRETATION

Table 1

Brands dealt by dealers

BRANDS	PERCENTAGE
S F M C	4
Supreme	72
Prime	48
Krishi	36
Others	64

Interpretation:

The table shows that 72% of the dealers are dealing with Supreme, 48% Prime, 36% Krishi, 4% SFMC and 64% other brands which are mainly Chinese products and other low quality products.

Inference:

It is inferred that the dealers sell more than one brand. There are no exclusive outlets for any brand except S F M C.

Graph 1

Brands dealt by dealers

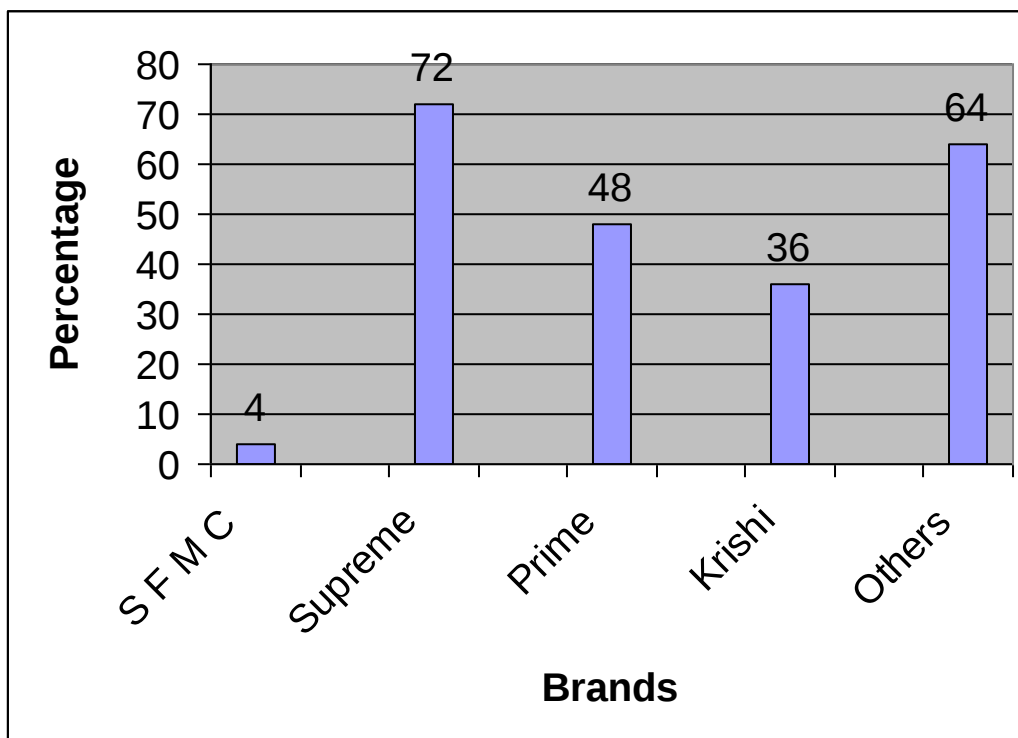


Table 2

Dealers rating of PP-R pipes performance over GI and PVC pipes

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE
Excellent	5	20
Good	16	64
Satisfactory	4	16

Interpretation:

The table shows that 64% of dealers say that the performance of PP-R pipes over GI and PVC pipes is good. 20% says it's excellent and 16% says it's satisfactory.

Inference:

It is inferred that the performance of PP-R pipes is good while comparing to the performance of GI and PVC pipes.

Graph 2

Dealers rating of PP-R pipes performance over GI and PVC pipes

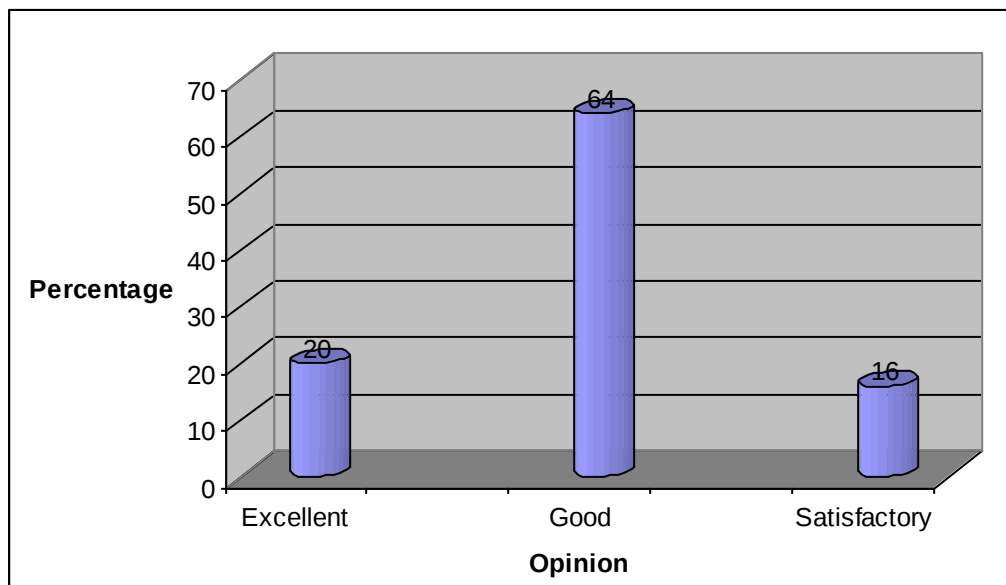


Table 3

Attributes which influence the dealers to purchase a companies product

FACTOR	1	2	3	4	5	6
Quality	8%	20%	40%	16%	8%	8%
Promotional Activities	0%	12%	16%	52%	20%	0%
Availability	12%	28%	20%	8%	16%	16%
Price	12%	8%	8%	12%	28%	32%
Service	8%	4%	4%	12%	28%	44%
Brand name	60%	28%	12%	0%	0%	0%

Interpretation:

This table shows the attributes which influence a dealer to purchase stock and sell a particular brand. Brand name is the no. 1 attribute, quality no.2, availability no. 3, promotional activity no. 4, price no. 5 and service is the no. 6 attribute.

Inference:

It is inferred that brand name and quality are very essential in influencing the dealers to purchase, stock and sell a particular brand. After these attributes promotional activities, price, availability, and services plays important role in influencing the dealers.

Graph 3:

Attributes which influence the dealers to purchase a companies product

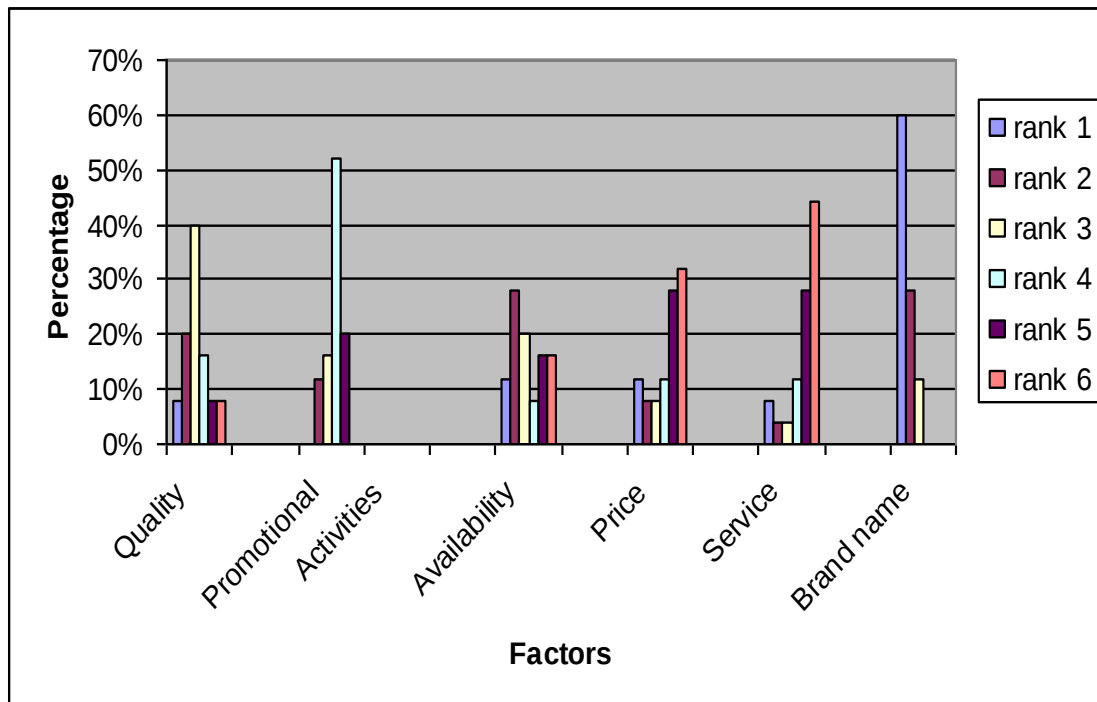


Table 4:

Impact of promotional activities

Promotional activities	No. of respondents	Percentage
Gifts	5	20%
Advertising	6	24%
Price discounts	3	12%
Word of mouth	12	48%
Others	0	0%

Interpretation:

The table shows that 48% of the dealers say word of mouth is the main promotional activity which created an impact on the brand, 24% say its because of advertisement, 20% through gifts and 12% through price discounts.

Inference:

It is inferred that word of mouth plays a very big role in creating an impact. Gifts and advertisements are the other major activities.

Graph 4:

Impact of promotional activities

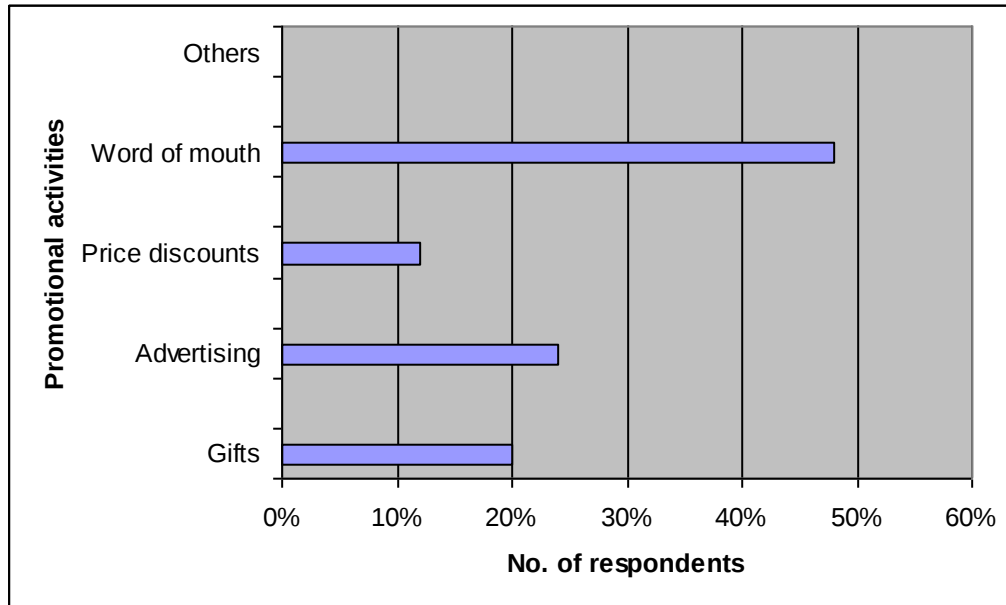


Table 5:

Companies providing incentives on target sales

Decision	No. of respondents	Percentage
Yes	25	100%
No	0	0%

Interpretation:

This table shows that 100% companies provide incentives and benefits on target sales.

Inference:

It is inferred that all the companies in this industry provide incentives and benefits on target sales.

Graph 5:

Companies providing incentives on target sales

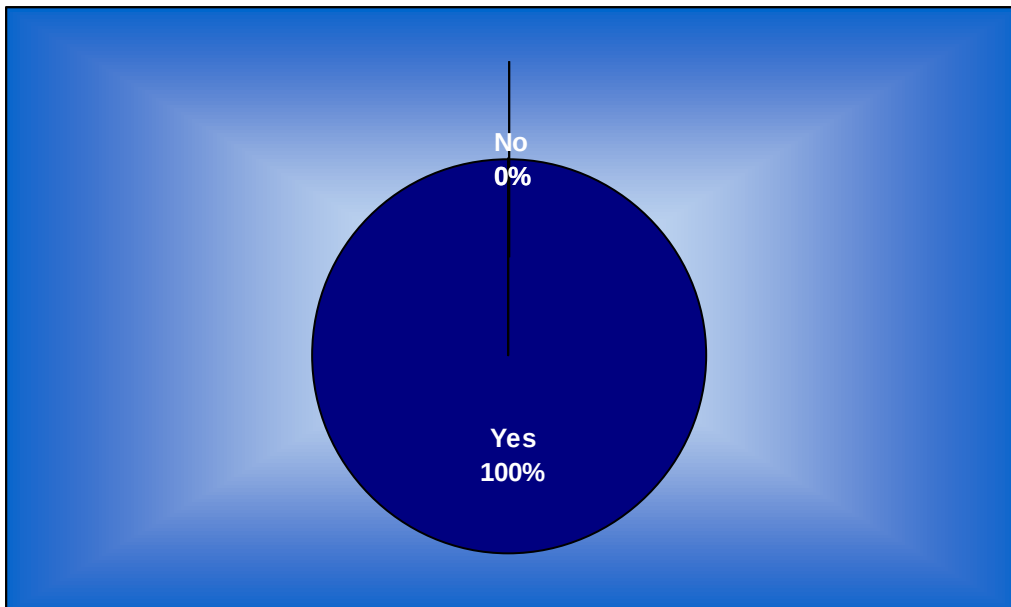


Table 6:

Satisfaction towards the incentives.

Decision	No. of respondents	Percentage
Yes	3	12%
No	22	88%

Interpretation:

This table shows that 88% of respondents are not satisfied with the incentives given by the company. Only 12% says they are satisfied.

Inference:

Most of the dealers are not happy with the incentives provided by the companies they always ask for better offers.

Table 6:

Satisfaction towards the incentives.

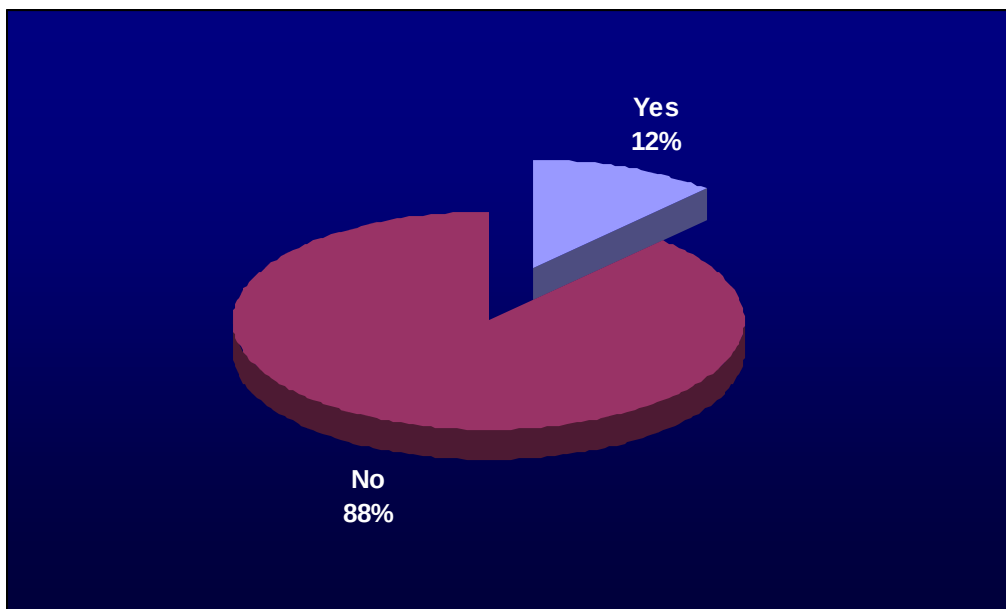


Table 7:

No. of dealers visiting trade shows

Decision	No. of respondents	Percentage
Yes	20	80%
No	5	20%

Interpretation:

This table shows that 80% of the dealers visit trade shows. Only 20% does not visit.

Inference:

It is inferred that majority of dealers visit trade shows conducted by different associations so it is a better option for companies to take part in trade shows in order to attract new dealers and to create product awareness.

Graph 7:

No. of dealers visiting trade shows

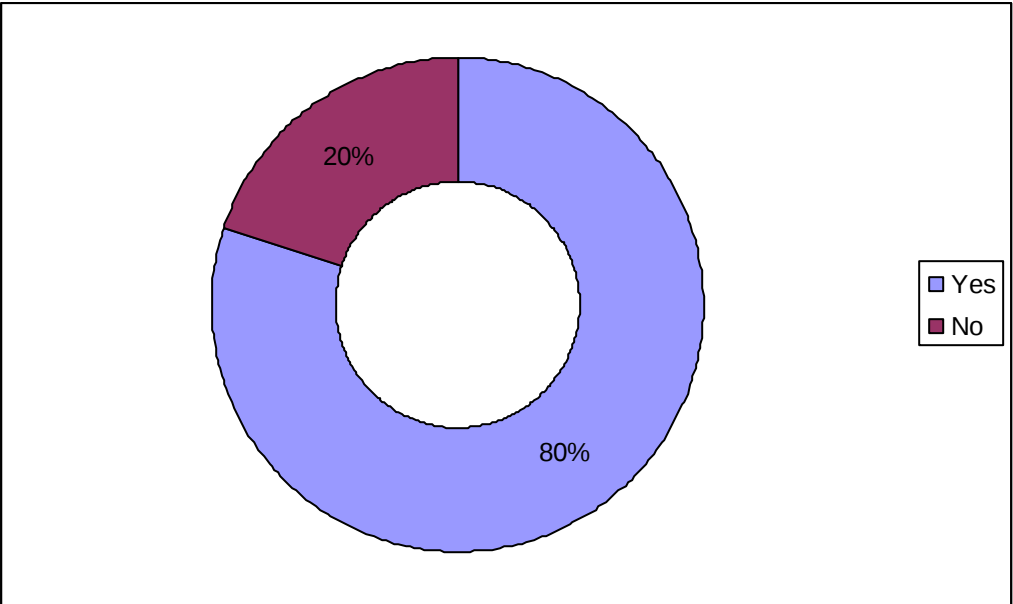


Table 8:

Opinion about POP displays and demonstration at the point of sales

Decision	No. of respondents	Percentage
Yes	21	84%
No	4	16%

Interpretation:

This table shows that 84% of dealers encourage point of purchase (POP) displays and demonstrations at the point of sales in their shops.

Inference:

It is inferred that most of the dealers encourage POP displays at their shops so it is a better option for the companies to demonstrate their products in the shops. It also helps in increasing the sales.

Graph 8:

Opinion about POP displays and demonstration at the point of sales

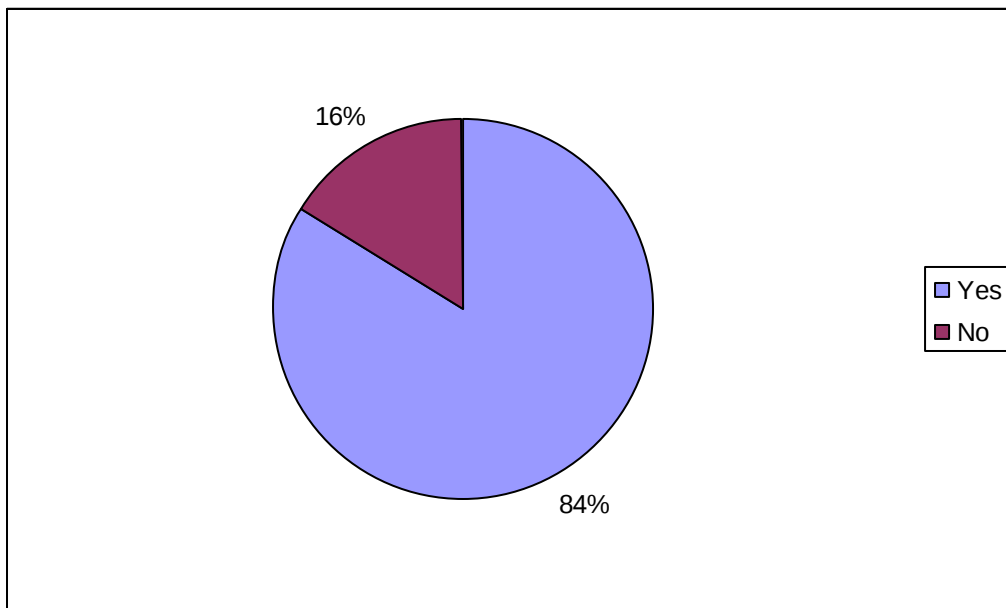


Table 9:

Necessary to give training to the sales team

Decision	No. of respondents	Percentage
Yes	25	100%
No	0	0%

Interpretation

This table shows that 100% of the dealers expect the companies to give training to their sales personnel in order to achieve maximum sales.

Inference:

It is inferred that the entire dealers feel giving training to the sales team by the companies will help in achieving maximum sales. Trained sales personnel can perform better they can explain the features to the customers and motivate them to make the purchase.

Graph 9:

Necessary to give training to the sales team

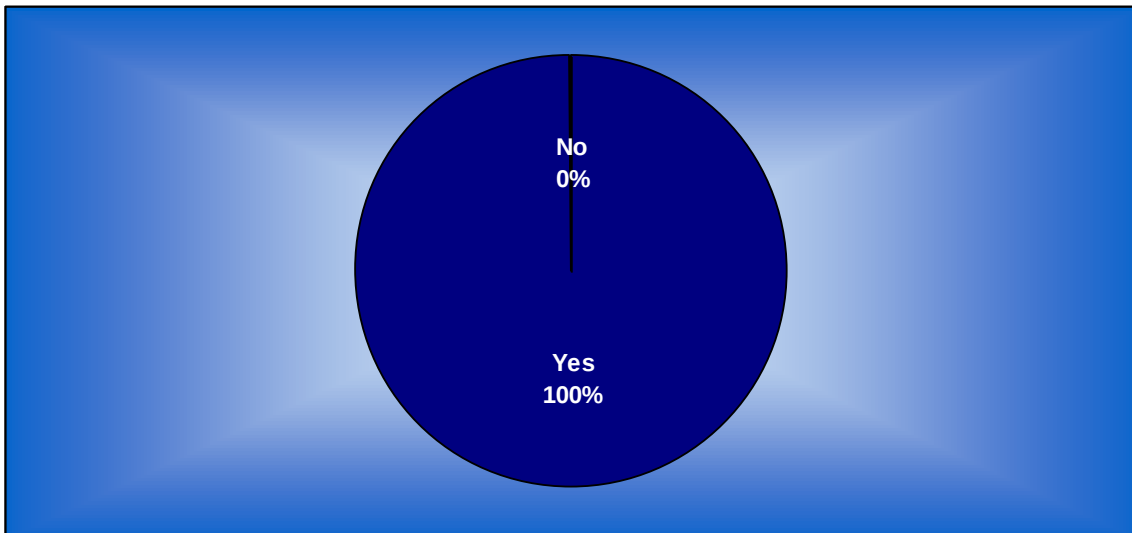


Table 10:

Prime selling season of pipes

Season	Yes	No
Non- raining months	100%	0%

Interpretation:

This table shows that 100% of dealers say that non- raining months are considered as the prime selling season for pipes.

Inference:

It is inferred that non- raining months which start from the month January to May are considered as the prime selling season for pipes.

Graph 10:

Prime selling season of pipes

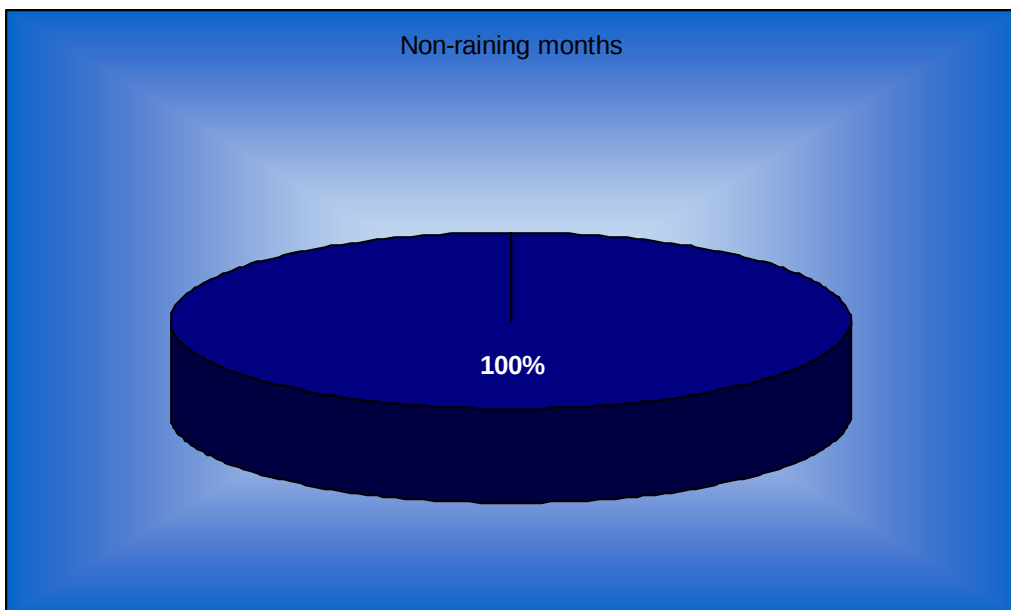


Table 11:

Offers during prime selling season

Decision	No. of respondents	Percentage
Yes	25	100%
No	0	0%

Interpretation:

This table shows 100% of dealers do not offer any special schemes during prime selling season.

Inference:

It is inferred that not a single dealer do not offer any special scheme during the prime selling season which is non raining months in the case of pipes.

Graph 11:

Offers during prime selling season

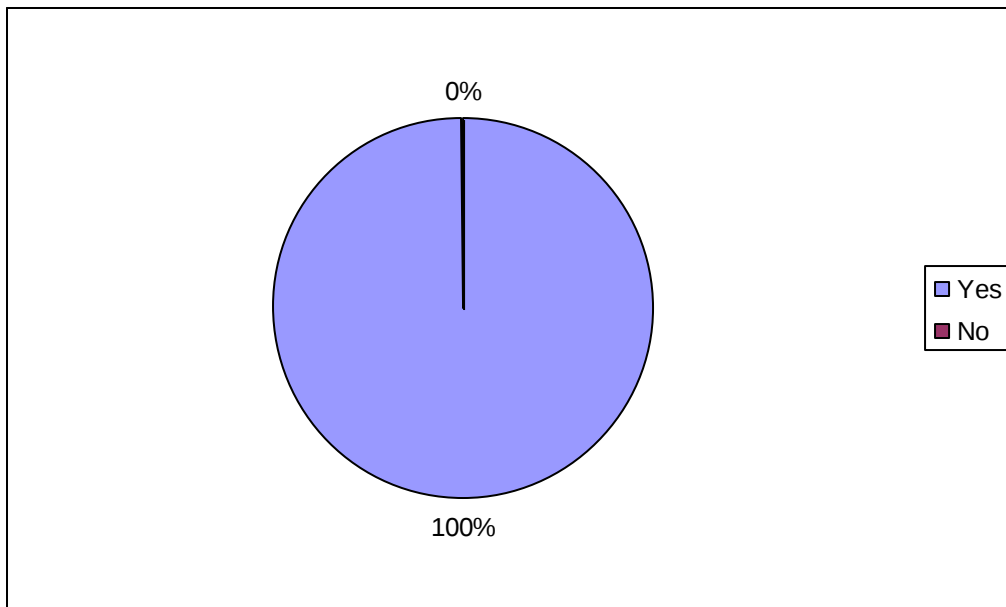


Table 12:

Decision making based on advertisement

Decision	No. of respondents	Percentage
Yes	16	64%
No	9	36%

Interpretation:

The table shows that 64% of the dealers take purchase decisions based on advertising, whereas 36% of the dealers do not take their purchase decision based on advertising.

Inference:

It is inferred that advertising plays a role in influencing the dealers to make the purchase decision, it is perceived to be important for the dealer because the consumer becomes aware of the brand and their work becomes easier while pushing the brand.

Graph 12:

Decision making based on advertisement

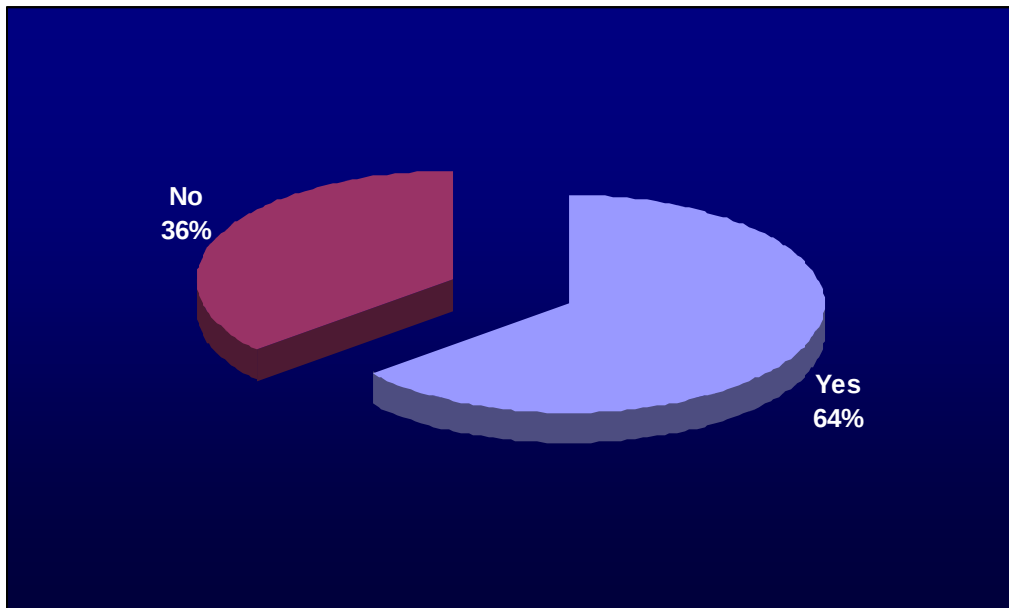


Table 13:

Effective media for advertising for pp-r pipes.

MEDIA	NO. OF RESPONDENTS	PERCENTEAGE
News paper	1	4%
Television	4	16%
Magazines	0	0%
Radio	0	0%
Hoardings	7	28%
Wall painting	13	52%
Internet	0	0%
Other	0	0%

Interpretation:

This table shows that 52% of dealers feel that wall paintings is the most effective media for giving advertisement for pipes. 28% think it is hoardings and 16% television. Nobody thinks internet, radio and magazines are effective media in case of pp-r pipes

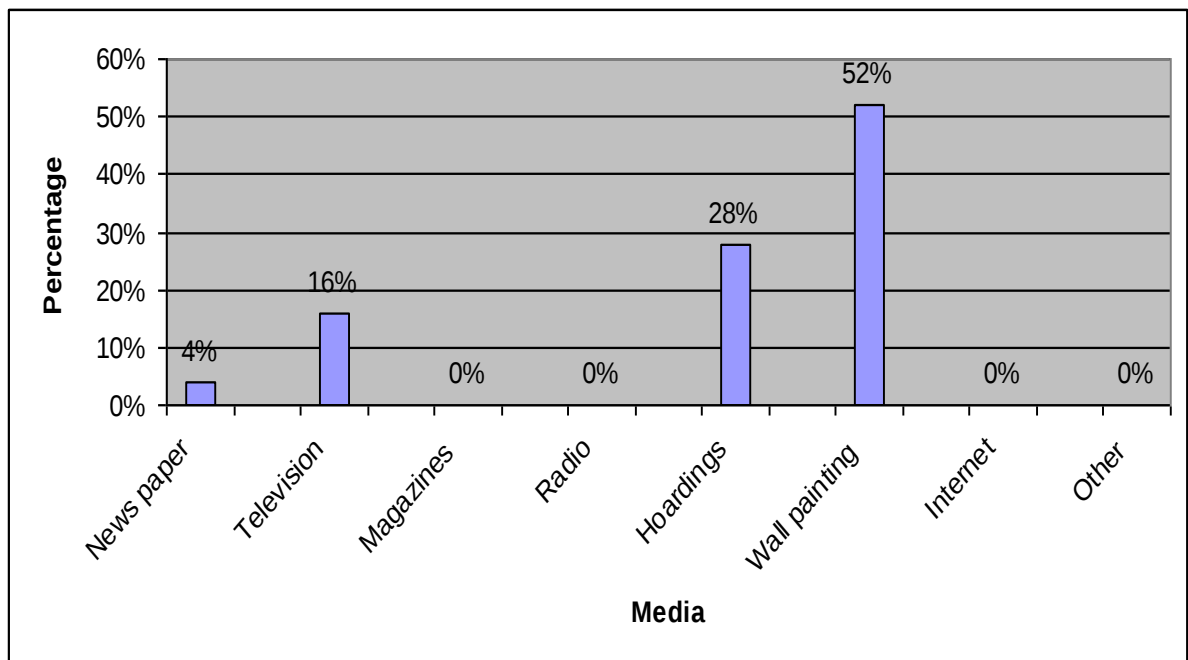
Inference:

It is inferred that wall paintings and hoardings are the effective medias for giving advertisement of PP-R pipes. Few suggests for television ads but its very costly when compared to other medias. In case of pipes internet, radio and magazines are not considered as better option for giving ads.

The wall paints have to be put in mostly on villages in order to attract more customers towards company's product.

Graph 13:

Effective media for advertising for pp-r pipes.



FINDINGS

- ⇒ Most of the dealers sell more than one brand of PP-R pipes.
- ⇒ There is no exclusive outlet except for the brand SFMC.
- ⇒ Supreme is the brand which has higher number of dealers.
- ⇒ Brand awareness and Quality are the most essential factors to make the dealers to purchase and stock a particular brand.
- ⇒ Product availability, Promotional activities, price and service are the third, fourth, fifth, and sixth essential factors for PP-R pipes.
- ⇒ Word of mouth is the most important promotional activities which have created an impact on the sales of a brand.
- ⇒ Promotional activities like giving gifts, advertisement and price discounts have lesser impact in the case of PP-R pipes.
- ⇒ All the companies offer extra incentives and benefits on target sales.
- ⇒ Majority of dealers are not happy with the incentives given by the companies. They always ask for better incentives.

⇒ Participating in trade shows is a better option for companies to promote the sales of their product and to give brand awareness since dealers visit trade shows.

⇒ Non-raining months is the prime selling season for the sales of PP-R pipes.

⇒ Point of purchase and demonstration at the point of sales is encouraged by most of the dealers.

⇒ Wall paintings and hoardings are considered as the best medias to advertise in this industry because these are considered to be cheaper and effective medias for advertising in case of pipes.

⇒ Dealers react to ads and make their purchase decision based on the advertisements given by the companies.

⇒ It is necessary for the company to train their sales team from time to time.

The important suggestions from dealers were:

⇒ Manufactures should appoint their own representatives at their shops for sales.

⇒ Give ads on transport vehicles like autorickshaws and busses.

SUGGESTIONS

- ❖ Promotional activities like giving ads in the local TV channels and putting up wall paintings and hoardings will help in improving the brand image. The wall paintings should be put up more in villages to create more impact.
- ❖ Giving ads on transport vehicles like auto rickshaws and busses can also help in improving brand image and product awareness among the public.
- ❖ The company should improve the distribution network. They should go for intensive distribution to make their product more available in different parts of the country.
- ❖ The company can think of having plumbing contractors and dealers meet to motivate them to perform better, because they play a very important role in influencing the consumer in the purchase decision.
- ❖ Company can appoint their representatives in their dealer's shops so that they can explain the added advantages and features about the product to the potential customers.
- ❖ Dealers can be motivated to increase the sales by giving attractive incentives than the competitors.

- ❖ Word of mouth is the main factor which created an impact on the brand in customers and dealers. This can be achieved by giving products of higher quality and good reasonable price.
- ❖ Participating in trade shows is a better way of attracting more dealers and will also help in creating awareness among people about the product.
- ❖ The company's sales personnel should be trained further because the dealers are not fully aware of some of the models of the company and further the incentives schemes should be put in place to perform better.

CONCLUSION

Dealers are the most important channel members in any industry in getting the final product to reach the customer. After brand awareness and quality, product availability, promotional activities, price and service plays a major role in influencing the dealers to purchase and stock a particular brand. Ads also are very important from dealer's point of view because this will also make their work easier in pushing the product and creating awareness of the brand in minds of customers. Wall paintings and hoardings are considered as the cheaper and effective medias for advertising pipes.

Non-raining months are the prime selling season for pipes. It is necessary for the company to give proper training to the sales personnel from time to time. Company can also appoint their own representatives in dealer's shops to increase the sales.

Being a student of MBA this project has helped me to know more about the practical aspects of marketing and brings me close to the market and help to gain good deal of knowledge and gain invaluable experience.

